OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program); and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program)

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OAKLAND PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA DWTRF PROGRAM); AND
WATER REVENUE BONDS, SERIES 2012 B
(WEST VIRGINIA DWTRF PROGRAM)

BOND RESOLUTION

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OAKLAND PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF OAKLAND PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,014,455 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), AND NOT MORE THAN $1,367,839 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE 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 OAKLAND 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 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer, consisting of the adding green sand filters to the water treatment plant; adding a 200,000 gallon storage tank; and providing approximately 6.5 miles of waterline extension for 148 new customers along Chapman Road, Tope Road, Gibson Road, Bill Hill Road, Lowes Drive, Kit Drive, Daniel Drive and Cameron Hollow (collectively, the "Project") (the existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds in the total aggregate principal amount of not more than $4,382,294 in two series (collectively, the "Series 2012 Bonds"), being the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), in the aggregate principal amount of not more than $3,014,455 (the "Series 2012 A Bonds"), and the Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), in the aggregate principal amount of not more than $1,367,839 (the "Series 2012 B 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 2012 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the Administrative Fee, if any, (as hereafter defined); discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2012 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 2012 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 2012 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 Bureau for Public Health (the "BPH"), 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 bonds or obligations of the Issuer which will rank on a parity with the Series 2012 Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated June 28, 1995, issued in the original aggregate principal amount of $579,740 (the "Series 1995 Bonds" or the "Prior Bonds").

Prior to the issuance of the Series 2012 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consents of the Holders of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. 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, the principal of and interest, if any, on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Resolution, all as such terms are hereinafter defined.

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 2012 A Bonds and the Series 2012 B 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 West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2012 A Bonds and the Series 2012 B Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Administrative Fee" means the Administrative Fee required, if any, to be paid pursuant to the Loan Agreement for the Series 2012 Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2012 A Bonds and the Series 2012 B Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 2012 A Bonds, the Series 2012 B Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2012 A Bonds and the Series 2012 B Bonds for all or a portion of the proceeds of the Series 2012 A Bonds and the Series 2012 B Bonds, respectively, from the Authority.

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

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

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

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

"Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

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

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

"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.

"Grant" means all moneys received by the Issuer 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.

"Issuer" means Oakland Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia, in Hancock 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 BPH, providing for the purchase of the Series 2012 A Bonds from the Issuer by the Authority, and by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2012 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, the Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond 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 Bonds in the Supplemental Resolution.

"Prior Bonds" means, the Series 1995 Bonds.

"Prior Resolution" means the resolutions and supplemental resolutions of the Issuer authorizing the issuance of 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 Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is 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 to the Code.

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2012 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2012 A Bonds.

"Revenue Fund" means the Revenue Fund created by the Prior Resolution and continued hereby.

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

"Series 1995 Bonds" means the Issuer's Water Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated June 28, 1995, issued in the original aggregate principal amount of $579,740.

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

"Series 2012 A Bonds" means the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) of the Issuer, authorized by this Resolution.

"Series 2012 A Bonds Reserve Account" means the Series 2012 A Bonds Reserve Account established by Section 5.02 hereof.

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

"Series 2012 A Bonds Sinking Fund" means the Series 2012 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2012 B Bonds" means the Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) of the Issuer, authorized by this Resolution.

"Series 2012 Bonds Construction Trust Fund" means the Series 2012 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2012 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 2012 A Bonds and the Series 2012 B Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds, the Series 2012 B Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, Reserve Accounts and the Renewal and Replacement Fund.

"System" means the complete public waterworks system of the Issuer, as extended and improved by the Project, including the existing waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the System; and shall also include any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks system from any sources whatsoever.

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

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

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

the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $4,904,294, 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 2012 A Bonds and the Series 2012 B Bonds 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 BPH.

The cost of the Project is estimated not to exceed $4,904,294, of which approximately $3,014,455 will be obtained from proceeds of the Series 2012 A Bonds, approximately $1,367,839 will be obtained from proceeds of the Series 2012 B Bonds, $230,000 will be obtained from a Hancock County Grant; $192,000 will be obtained from the proceeds of a DHHR Design Grant and $100,000 will be obtained from the Issuer.

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 2012 A Bonds and the Series 2012 B Bonds, if any, funding reserve accounts for the Series 2012 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2012 A Bonds and the Series 2012 B 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 the Series 2012 A Bonds and the Series 2012 B Bonds of the Issuer. The Series 2012 Bonds shall be issued in two series, each as a single bond, designated respectively as "Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program)," in the principal amount of not more than $3,014,455, and "Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program)," in the principal amount of not more than $1,367,839, and both shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 A

Bonds and the Series 2012 B Bonds remaining after capitalizing interest, if any, on the Series 2012 A Bonds and the Series 2012 B Bonds, and funding the Series 2012 A Bonds Reserve Account shall be deposited in or credited to the Series 2012 Bonds Construction Trust Funds established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. A. The Series 2012 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, 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 2012 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, if any, on the Series 2012 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2012 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2012 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 bear interest as specified in a Supplemental Resolution.

B. The Series 2012 B Bonds shall be issued in such principal amount; shall not bear interest; 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 2012 B Bonds shall be forgivable as to principal.

Unless otherwise provided by the Supplemental Resolution, the Series 2012 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2012 B 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 bear interest as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds shall cease to be such officer of the Issuer before the Series 2012 A Bonds and the Series 2012 B Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any such Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2012 A Bond nor Series 2012 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such 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 2012 A Bond and the Series 2012 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2012 A Bonds and the Series 2012 B Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain

books for the registration and transfer of the Series 2012 A Bonds and the Series 2012 B Bonds.

The registered Series 2012 A Bonds and the Series 2012 B 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 the Series 2012 A Bonds and the Series 2012 B 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 any Series 2012 A Bond or Series 2012 B 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, register 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2012 A Bonds and the Series 2012 B Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2012 A Bonds and the Series 2012 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Prior Bonds, the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2012 A Bonds and the Series 2012 B Bonds to the original purchasers upon receipt of the documents set forth below:

(i) If other than the Authority, a list of the names in which the Series 2012 A Bonds and the Series 2012 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

(ii) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2012 A Bonds and the Series 2012 B Bonds to the original purchasers;

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

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

(v) The unqualified approving opinion of bond counsel on the Series 2012 A Bonds and the Series 2012 B Bonds.

Section 3.10. Form of Bonds. The text of the Series 2012 A Bonds and the Series 2012 B 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 2012 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OAKLAND PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2012 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ____ day of _____, 2012, OAKLAND PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Hancock 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, 201___, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and

otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); and (ii) to pay costs of issuance for the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S: (I) WATER REVENUE BONDS, SERIES 1995 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 28, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $579,740 (THE "SERIES 1995 BONDS" OR THE "PRIOR BONDS"); AND WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____.

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 the Series 2012 B Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 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 2012 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and

interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2012 B Bonds; provided however, that so long as there exists in the Series 2012 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 Prior Bonds and the Series 2012 B 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 (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.

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

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 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: _____, 2012.

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: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 2012 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OAKLAND PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ____ day of _____, 2012, OAKLAND PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Hancock 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. This Bond shall bear no interest. The principal amounts will be deemed forgiven on the 30th day of June of the fiscal year in which advanced. The Bond shall be deemed no longer outstanding after the last advance is forgiven. This Bond shall not be subject to the DWTRF Administrative fee (as defined in the hereinafter describe Bond Legislation).

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance for the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions,

and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1995 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 28, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $579,740 (THE "SERIES 1995 BONDS" OR THE "PRIOR BONDS"); AND WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____.

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 the Series 2012 A Bonds, 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 and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2012 A Bonds; provided however, that so long as there exists in the respective reserve accounts an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2012 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All 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.

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2012.

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 $_____

(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 2012 A Bonds and the Series 2012 B 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 BPH the respective amended schedules setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Series 2012 Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Resolution) 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 1995 Bonds Sinking Fund (established by Prior Resolution);

(2) Series 1995 Bonds Reserve Account (established by Prior Resolution);

(3) Series 2012 A Bonds Sinking Fund; and

(4) Series 2012 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 monies at any time on deposit in the Revenue Fund shall be disposed of only in the following order of priority:

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

(2) The Issuer shall next, each month, on or before the due date, transfer from the Revenue Fund and remit to the Commission the amount required by Prior Resolution to pay interest on the Series 1995 Bonds.

(3) The Issuer shall next, each month, simultaneously (i) on or before the due date, transfer from the Revenue Fund and remit to the Commission the amount required by Prior Resolution to pay principal on the Series 1995 Bonds; and (ii) on the first day of each month, remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 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 2012 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission the amounts required by the Prior Resolution to be deposited in the Reserve Account for the Prior Bonds; and (ii) to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, if not fully funded upon issuance of the Series 2012 A Bonds, for deposit in

the Series 2012 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 A Bonds Reserve Requirement.

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

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

Monies in the Series 2012 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2012 A Bonds. Monies in the Series 2012 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2012 A Bonds when other monies in the Series 2012 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2012 A Bonds Sinking Fund, and the Series 2012 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 2012 Bonds Construction Trust Funds, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2012 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2012 A Bonds Reserve Account which result in a reduction in the balance of the Series 2012 A Bonds Reserve Account to below the Series 2012 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 Prior Bonds, Series 2012 A Bonds and the Series 2012 B Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2012 A Bonds Sinking Fund or the Series 2012 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2012 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 Prior Bonds, the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds Sinking Fund and the Series 2012 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 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2012 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 2012 A Bonds and the Series 2012 B Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each

month) deposit with the Commission the Administrative Fee, if any, as set forth in the Schedule Y attached to the Loan Agreement for the Series 2012 Bonds.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement and submit a copy of said form, together with a copy of its payment check, to the Authority by the 5th day of such calendar month.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges 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 relevant provisions of the Prior Resolution, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2012 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 2012 A Bonds and the Series 2012 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2012 A Bonds, there shall next be deposited with the Commission in the Series 2012 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2012 A Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 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 2012 A Bonds.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 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 2012 B Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2012 Bonds shall be applied as directed by the BPH.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2012 Bonds will be expended and the disbursement procedures for such proceeds. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2012 Bonds Construction Trust Fund shall be made only after submission to and approval from the BPH, of

(1) a completed and signed "Payment Requisition Form," a formof which is attached to the Loan Agreement for the Series 2012 Bonds, and

(2) a certificate, signed by an Authorized Officer, as appropriate 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 2012 Bonds Construction Trust Funds shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2012 A Bonds and the Series 2012 B Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2012 A Bonds or the Series 2012 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2012 A Bonds or the Series 2012 B Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2012 A Bonds and the Series 2012 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2012 A Bonds, the Series 2012 B Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. 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 dated January 27, 2012, which became a Final Order on February 16, 2012, in Case No. 11-1506-PWD-CN of the Public Service Commission of West Virginia

So long as the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Resolution. Additionally, so long as the Series 2012 A Bonds and the Series 2012 B Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2012 A Bonds and the Series 2012 B Bonds, immediately be remitted to the Commission for deposit in the Series 2012 A Bonds Sinking Fund, and, with the written

permission of the Authority and the BPH, 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 2012 A Bonds. Any balance remaining after the payment of the Series 2012 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, in writing, determine upon consultation with a professional engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property shall be deposited in the Renewal and Replacement Fund. Payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such fund by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided 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 2012 A Bonds and the Series 2012 B Bonds. All obligations issued by the Issuer after the issuance of the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 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 Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2012 A Bonds and the Series 2012 B Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority and the BPH under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Resolution).

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

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

So long as the Series 1995 Bonds or Series 2012 Bonds are outstanding no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues 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, the period for appeal of which has expired prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2012 A Bonds and the Series 2012 B 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 2012A Bonds and the Series 2012 B Bonds.

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

Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the BPH such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction and commencement of operation of the Project, 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 BPH, the Authority, or any other original purchaser of the Series 2012 A Bonds and the Series 2012 B Bonds, and shall mail in each year to any Holder or Holders of the Series 2012 A Bonds and the Series 2012 B Bonds and the Consulting Engineer, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, 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 2012 A Bonds and the Series 2012 B Bonds, and shall submit said report to the Authority, or any other original purchaser of the Series 2012 A Bonds and the Series 2012 B Bonds. Such audit report submitted to the Authority 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 BPH, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Purchaser, the Authority and the BPH with respect to the System pursuant to the Act.

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit D of the Loan Agreement for the Series 2012 B Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 A Bonds and the Series 2012 B Bonds, including the Prior Bonds; provided that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2012 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2012 A Bonds and the Series 2012 B Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2012 A Bonds and the Series 2012 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 A Bonds and the Series 2012 B 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 BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the BPH and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the BPH 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 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 BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

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

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

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. Following completion of the Project the Issuer will 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 to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2012 A Bonds and the Series 2012 B Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the

Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

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

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

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

Section 7.17. Completion, Operation and Maintenance 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 2012 A Bonds and the Series 2012 B 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 West Virginia Infrastructure and Jobs Development Council necessary for the financing, acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds, which statutory mortgage lien 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 Loan Agreement attached hereto as Exhibit A is incorporated herein in its entirety. 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 BPH with copies of all documents submitted to the Authority. The Issuer also agrees to

comply with all applicable laws, rules, regulations, the applicable Cross Cutter Authorities and all applicable local ordinances issued by the Authority, the BPH or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by 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 2012 A Bonds and the Series 2012 B 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 BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2012 A Bonds and the Series 2012 B Bonds held in "contingency" as set forth in the respective schedules attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2012 A Bonds and the Series 2012 B Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2012 A Bonds and the Series 2012 B Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2012 A Bonds and the Series 2012 B 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 2012 Bonds as a condition to issuance of the Series 2012 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 2012 Bonds as may be necessary in order to maintain the status of the Series 2012 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 2012 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the BPH, as the case may be, from which the proceeds of the Series 2012 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, 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 2012 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 2012 A Bonds and the Series 2012 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any series of the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2012 A Bonds and the Series 2012 B Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2012 A Bonds and the Series 2012 B Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2012 A Bonds and the Series 2012 B Bonds shall be on a parity with each other and with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of the Series 2012 A Bonds and the Series 2012 B Bonds 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 the Series 2012 A Bonds and the Series 2012 B Bonds 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 Series 2012 A Bonds and the Series 2012 B Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2012 A Bonds and the Series 2012 B 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 Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B Bonds shall be made without the consent in writing of the Registered Owners of the Series 2012 A Bonds and the Series 2012 B 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 Series 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 2012 A Bonds and the Series 2012 B 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 BPH 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:

Oakland Public Service District
768 Carothers Road
Weirton, West Virginia 26062
Attention: Chairman

AUTHORITY:

Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Director

BPH:

West Virginia Bureau for Public Health
Capitol & Washington Streets
One Davis Square, Suite 200
Charleston, West Virginia 25301
Attention: Environmental Engineering

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

Section 11.06. Conflicting Provisions Repealed; Prior Resolution. Except for the Prior Resolution, all orders, ordinances or resolutions, or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflict, hereby repealed; provided that, this Section shall not be applicable to the Prior Resolution. In the event of any conflict between this Resolution and the Prior Resolution, the Prior Resolution 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.

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

[Remainder of Paige Intentionally Blank]

Adopted this 16th day of May, 2012.

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of OAKLAND PUBLIC SERVICE DISTRICT on the 16th day of May, 2012.

Dated: May 24, 2012.

[SEAL]

Secretary

668010.00001

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM) AND WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM) OF OAKLAND PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING AND APPROVING 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 Oakland Public Service District (the "Issuer") has duly and officially adopted a bond resolution, on May 16, 2012 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF OAKLAND PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,014,455 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), AND NOT MORE THAN $1,367,839 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS

RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE 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 meanings set forth in the Bond Resolution when used herein;

WHEREAS, the Bond Resolution provides for the issuance of the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer (the "Series 2012 A Bonds"), in the aggregate principal amount not to exceed $3,014,455; and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), of the Issuer (the "Series 2012 B Bonds"), in the aggregate principal amount not to exceed $1,367,839 (collectively the "Series 2012 Bonds" or the "Bonds") and has authorized the execution and delivery of the Loan Agreement relating to the Series 2012 Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the 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 entered into by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices 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 OAKLAND PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $3,014,455. The Series 2012 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2044, and shall bear no interest. The principal of the Series 2012 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014, and to and including March 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 2012 A Bonds. The Series 2012 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2012 A Bonds. The Administrative Fee of 1% (as defined in the Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014.

Section 2. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $1,367,839. The Series 2012 B Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal amounts advanced of the Series 2012 B Bonds shall be deemed forgiven on the 30th day of June in the fiscal year in which advances. The Series 2012 B Bonds shall be deemed forgiven when the last advance is forgiven. The Series 2012 B Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2012 B Bonds. The Series 2012 B Bonds are not subject to the Administrative Fee.

Section 3. 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 4. The Issuer does hereby authorize, ratify, approve and accept the Loan Agreement, including all schedules and exhibits attached thereto, copies of which are incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the BPH and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon; provided that, the proceeds of the Bonds will be advanced from time to time as requisitioned by the Issuer.

Section 5. 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 6. 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 7. The Issuer does hereby appoint and designate United Bank, Inc., Weirton, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 8. Series 2012 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2012 A Bonds shall be deposited in or credited to the Series 2012 Bonds Construction Trust Funds as received from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Series 2012 Bonds and related costs.

Section 10. The proceeds of the Series 2012 B Bonds shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund as received from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Series 2012 Bonds and related costs.

Section 11. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about May 24, 2012.

Section 12. 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 13. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 14. The Issuer hereby approves payment of all invoices and bills for the Project which have been received to date from the proceeds of the Bonds.

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

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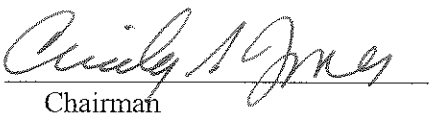
Adopted this 16th day of May, 2012.

OAKLAND PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of OAKLAND PUBLIC SERVICE DISTRICT on the 16th day of May, 2012.

Dated: May 24, 2012.

[SEAL]

Secretary

668010.00001

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DWTRF
(08/10)

LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

OAKLAND PUBLIC SERVICE DISTRICT (11DWTRFA012/2008W-1039)
(Local Entity)

W I T N E S S E T H:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

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

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the design, acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

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

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

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

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

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and BPH are willing to lend the Local Entity the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Entity with moneys held in the Fund, subject to the Local Entity's satisfaction of certain legal and other requirements of the Program.

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

ARTICLE I

Definitions

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

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

1.3 "Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

1.4 "Loan" means the loan to be made by the Authority and BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

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

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

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

1.8 "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.

1.9 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

1.10 "Project" means the drinking water project hereinabove referred to, to be constructed or being constructed by the Local Entity in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Entity in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.11 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.12 "System" means the drinking water system owned by the Local Entity, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.13 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 design, construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Entity by the Consulting Engineers, the BPH and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Entity, subject to any mortgage lien or

other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by BPH and the Authority.

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

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

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

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

2.8 The Local Entity shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and BPH

and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Entity, the Local Entity or (at the option of the Local Entity) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Entity, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Entity on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Entity must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, BPH and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State. If the Local Entity is a newly established water system, the Local Entity must employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The newly established Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all applicable local ordinances issued by the Authority,

BPH or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

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

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

2.14 The Local Entity shall serve the additional customers at the location(s) as set forth in Schedule X. The Local Entity 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 Local Entity shall certify to the Authority the number of customers added to the System.

2.15 The Local Entity shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the PSC.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The Local Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended;

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

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

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

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

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

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

(h) The Local Entity shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and

BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

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

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

(k) The Local Entity shall have obtained 100% of the titles, easements and rights-of-way, or shall have received rights-of-entry for the same and the Authority and BPH shall receive an opinion of counsel to the Local Entity, satisfactory to the Authority and BPH, to such effect.

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

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

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

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

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the special requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

3.7 The Local Entity shall comply with the following conditions:

(a) The Local Entity shall develop and implement an asset management plan in accordance with BPH guidelines and approved by BPH.

(b) The Local Entity shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying.

(c) The Local Entity shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price

exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

(d) The Local Entity shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by BPH, the Local Entity shall provide certifications as to compliance.

(e) The Local Entity shall comply with all requests for data related to the use of the funds provided under this agreement.

(f) The Local Entity shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this Agreement and (2) interview any officer or employee of the Local Entity.

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

(h) The Local Entity shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(i) The Local Entity shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than the higher of those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code or the prevailing wage rate set by the State. The Local Entity must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

(j) Pursuant to 40 CFR, Section 33.301, the Local Entity agrees to make Disadvantage Business Enterprise (DBE) good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also

comply. The Local Entity shall provide BPH with DBE participation reports semi-annually.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

(v) That the Local Entity shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority;

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

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

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

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

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

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority. If the Local Entity receives $500,000 or more (in any combination of federal funds) in a fiscal year, the audit shall be obtained in accordance with the Single Audit Act (as amended from time to time) and the applicable OMB Circular (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

(xx) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

(xxi) That the Local Entity shall submit all proposed change orders to the BPH for written approval. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds held in

"contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

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

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

4.3 At least two and one-half percent (2½%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the BPH and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

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

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

BPH and the Authority and fees paid for any bonds or notes to be issued by the Authority for contribution to the Fund.

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

ARTICLE V

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

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

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

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

5.4 The Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, the Authority

may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Entity

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

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

6.3 The Local Entity hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Entity hereby covenants that, if required by the Authority, it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Entity fails to make any such rebates as required, then the Local Entity shall pay

any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Entity to be monitored or cause the rebate calculations for the Local Entity to be prepared, in either case at the expense of the Local Entity.

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

6.7 The Local Entity hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule setting forth the actual costs of the Project and sources of funds.

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Entity from either the Authority or BPH;

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

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

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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

OAKLAND PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: May 24, 2012

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: May 24, 2012

Attest:

_____
Its: Authorized Officer

EXHIBIT A

Monthly Financial Report

Name of Local Entity: _____

Funding Agency Project No.: _____

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:	0	0	0	0
2. Operating Expenses: (Including Admin Fees)	0	0	0	0
3. Renewal and Replacement Fund Deposits:	0	0	0	0
	Adequate R&R Deposit	**Adequate R&R Deposit**	**Adequate R&R Deposit**	
4. ***Net Revenue: (Equation: 1-2-3)**	**0**	**0**	**0**	**0**
5. Bond Payments: (Principal and Interest)				
Type of Issue				
Clean water SRF:				0
Drinking water SRF:				0
Infrastructure Fund:				0
Water Dev. Authority:				0
Rural Utilities Service:				0
Economic Development:				0
Other: (Identify Below)				0
Total Reserve Payments for all Loans Listed Above:				0
6. ***Bond Payment Total:**	**0**	**0**	**0**	**0**
7. ***Calculated Debt Coverage: (Equation: 4/6 * 100%)**	**#DIV/0! #DIV/0!**	**#DIV/0! #DIV/0!**	**#DIV/0! #DIV/0!**	

_____
Name of Person Completing Form / Date

_____
Address

_____
Telephone Number

Please enter financial data in Grey cells. (If applicable)

*** Self Calculating Formula**

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT B

PAYMENT REQUISITION FORM

EXHIBIT C

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by BPH and any change orders approved by the Issuer, BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then

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

WITNESS my signature and seal on this ____day of _____, _____.

[SEAL]

_____

By:

_____

West Virginia License No. _____

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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 D

SPECIAL CONDITIONS

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

B. EXHIBIT D-1 – The Local Entity shall complete the form attached as Exhibit D-1 and submit to the BPH prior to the Closing.

EXHIBIT D-1

For DHHR Use Only:
Grant Number _____

West Virginia Department of Health and Human Resources
Subrecipient (Grantee) Information Form
Please see the instructions for Completion of the Subrecipient (Grantee) Information Form

1. Subrecipient (Grantee) Name

2. Subrecipient (Grantee) Location (Street Address, City State and Zip Code)

3. Subrecipient (Grantee) 9-Digit DUNS Number

4. Subrecipient (Grantee) Type (Please check one box only)

- ☐ State Government
- ☐ County Government
- ☐ City or Township Government
- ☐ Special District Government
- ☐ Regional Organization
- ☐ U.S. Territory or Possession
- ☐ Independent School District
- ☐ Public/State Controlled Institution of Higher Learning
- ☐ Indian/Native American Tribal Government (Federally Recognized)
- ☐ Indian/Native American Tribal Government (Other than Federally Recognized)
- ☐ Indian/Native American Tribally Designated Organization
- ☐ Public/Indian Housing Authority
- ☐ Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)
- ☐ Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)
- ☐ Private Institution of Higher Education
- ☐ Individual
- ☐ For-Profit Business (Other than Small Business)
- ☐ Small Business
- ☐ Hispanic-serving Institution
- ☐ Historically Black Colleges and Universities (HBCUs)
- ☐ Tribally Controlled Colleges and Universities (TCCUs)
- ☐ Alaska Native and Native Hawaiian Serving Institutions
- ☐ Non-domestic (non-US) entity
- ☐ Other (Please explain) _____

5. Primary Performance Location (Street Address, City State and Zip Code)

6. Names, Titles and Total Compensation for the 5 Most Highly Compensated Officers

Officer Name	Title	Total Compensation

NOTE: This form must be signed by an individual no lower than the Executive Director or Chief Financial Officer.

Printed Name _____ Title _____

Signature _____ Date _____ Phone # _____

DHHR Finance A-1000

EXHIBIT E

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission

on behalf of _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest $_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT F

OPINION OF BOND COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

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

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, WV 25301-2616

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, dated _____(the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____1, ____, and ending _____1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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

We have also examined the applicable provisions of _____of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____duly adopted or enacted by the Local Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity on _____(collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan

Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds (CWSRF Base Program)
Principal Amount of Local Bonds $3,014,455
Purchase Price of Local Bonds $3,014,455

The Local Bonds shall bear no interest. Commencing June 1, 2014, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

Number of New Customers: 86
Location: Chapman Road, Tope Road, Gibson Road, Lowes Drive, Kit Drive, Daniel Drive and Cameron Hollow

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government: Oakland Public Service District Water Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated June 28, 1995, issued in the original aggregate principal amount of $579,740.

B. Series B Bonds (DWTRF Forgiveness)

Principal Amount of Local Bonds $1,367,839
Purchase Price of Local Bonds $1,367,839

The Local Bonds shall bear no interest. The Authority at the direction of the BPH shall forgive the principal amount of the Local Bonds. The principal amounts advanced under the Series 2012 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2012 B Bonds shall be deemed no longer outstanding after the last advance is forgiven.

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

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

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

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service
Oakland Public Service District
DWTRF
$3,014,455
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2014	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2014	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2014	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2015	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2015	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2015	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2015	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2016	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2016	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2016	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2016	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2017	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2017	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2017	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2017	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2018	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2018	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2018	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2018	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2019	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2019	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2019	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2019	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2020	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2020	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2020	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2020	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2021	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2021	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2021	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2021	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2022	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2022	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2022	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2022	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2023	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2023	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2023	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2023	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2024	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2024	25,121		25,121	3,799.44		28,920.44
9/1/2024	25,121		25,121	3,799.44		28,920.44
12/1/2024	25,121		25,121	3,799.44		28,920.44
3/1/2025	25,121		25,121	3,799.44		28,920.44
6/1/2025	25,121		25,121	3,799.44		28,920.44
9/1/2025	25,121		25,121	3,799.44		28,920.44

Net Debt Service

Oakland Public Service District

DWTRF

$3,014,455

0% Interest Rate

1% Administrative Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2025	25,121		25,121	3,799.44		28,920.44
3/1/2026	25,121		25,121	3,799.44		28,920.44
6/1/2026	25,121		25,121	3,799.44		28,920.44
9/1/2026	25,121		25,121	3,799.44		28,920.44
12/1/2026	25,121		25,121	3,799.44		28,920.44
3/1/2027	25,121		25,121	3,799.44		28,920.44
6/1/2027	25,121		25,121	3,799.44		28,920.44
9/1/2027	25,121		25,121	3,799.44		28,920.44
12/1/2027	25,121		25,121	3,799.44		28,920.44
3/1/2028	25,120		25,120	3,799.44		28,919.44
6/1/2028	25,120		25,120	3,799.44		28,919.44
9/1/2028	25,120		25,120	3,799.44		28,919.44
12/1/2028	25,120		25,120	3,799.44		28,919.44
3/1/2029	25,120		25,120	3,799.44		28,919.44
6/1/2029	25,120		25,120	3,799.44		28,919.44
9/1/2029	25,120		25,120	3,799.44		28,919.44
12/1/2029	25,120		25,120	3,799.44		28,919.44
3/1/2030	25,120		25,120	3,799.44		28,919.44
6/1/2030	25,120		25,120	3,799.44		28,919.44
9/1/2030	25,120		25,120	3,799.44		28,919.44
12/1/2030	25,120		25,120	3,799.44		28,919.44
3/1/2031	25,120		25,120	3,799.44		28,919.44
6/1/2031	25,120		25,120	3,799.44		28,919.44
9/1/2031	25,120		25,120	3,799.44		28,919.44
12/1/2031	25,120		25,120	3,799.44		28,919.44
3/1/2032	25,120		25,120	3,799.44		28,919.44
6/1/2032	25,120		25,120	3,799.44		28,919.44
9/1/2032	25,120		25,120	3,799.44		28,919.44
12/1/2032	25,120		25,120	3,799.44		28,919.44
3/1/2033	25,120		25,120	3,799.44		28,919.44
6/1/2033	25,120		25,120	3,799.44		28,919.44
9/1/2033	25,120		25,120	3,799.44		28,919.44
12/1/2033	25,120		25,120	3,799.44		28,919.44
3/1/2034	25,120		25,120	3,799.44		28,919.44
6/1/2034	25,120		25,120	3,799.44		28,919.44
9/1/2034	25,120		25,120	3,799.44		28,919.44
12/1/2034	25,120		25,120	3,799.44		28,919.44
3/1/2035	25,120		25,120	3,799.44		28,919.44
6/1/2035	25,120		25,120	3,799.44		28,919.44
9/1/2035	25,120		25,120	3,799.44		28,919.44
12/1/2035	25,120		25,120	3,799.44		28,919.44
3/1/2036	25,120		25,120	3,799.44		28,919.44
6/1/2036	25,120		25,120	3,799.44		28,919.44
9/1/2036	25,120		25,120	3,799.44		28,919.44
12/1/2036	25,120		25,120	3,799.44		28,919.44
3/1/2037	25,120		25,120	3,799.44		28,919.44

Net Debt Service

Oakland Public Service District

DWTRF

$3,014,455

0% Interest Rate

1% Administrative Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2037	25,120		25,120	3,799.44		28,919.44
9/1/2037	25,120		25,120	3,799.44		28,919.44
12/1/2037	25,120		25,120	3,799.44		28,919.44
3/1/2038	25,120		25,120	3,799.44		28,919.44
6/1/2038	25,120		25,120	3,799.44		28,919.44
9/1/2038	25,120		25,120	3,799.44		28,919.44
12/1/2038	25,120		25,120	3,799.44		28,919.44
3/1/2039	25,120		25,120	3,799.44		28,919.44
6/1/2039	25,120		25,120	3,799.44		28,919.44
9/1/2039	25,120		25,120	3,799.44		28,919.44
12/1/2039	25,120		25,120	3,799.44		28,919.44
3/1/2040	25,120		25,120	3,799.44		28,919.44
6/1/2040	25,120		25,120	3,799.44		28,919.44
9/1/2040	25,120		25,120	3,799.44		28,919.44
12/1/2040	25,120		25,120	3,799.44		28,919.44
3/1/2041	25,120		25,120	3,799.44		28,919.44
6/1/2041	25,120		25,120	3,799.44		28,919.44
9/1/2041	25,120		25,120	3,799.44		28,919.44
12/1/2041	25,120		25,120	3,799.44		28,919.44
3/1/2042	25,120		25,120	3,799.44		28,919.44
6/1/2042	25,120		25,120	3,799.44		28,919.44
9/1/2042	25,120		25,120	3,799.44		28,919.44
12/1/2042	25,120		25,120	3,799.44		28,919.44
3/1/2043	25,120		25,120	3,799.44		28,919.44
6/1/2043	25,120		25,120	3,799.44		28,919.44
9/1/2043	25,120		25,120	3,799.44		28,919.44
12/1/2043	25,120		25,120	3,799.44		28,919.44
3/1/2044	25,120		25,120	3,799.44		28,919.44
	3,014,455		3,014,455	455,932.80	100,484.00	3,570,871.80

Notes:

Estimated Monthly Net Debt Service Payments:

$10,447.51 March 1, 2014 through February 1, 2024

$9,640.15 March 1, 2024 through November 1, 2027

$9,639.82 December 1, 2027 through February 1, 2044

Admin Fee calculated based on 1% of bond value computed quarterly paid in equa

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
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Writer's Contact Information
(304) 353-8196 – Telephone
(304) 353-8180 – Facsimile
John.Stump@steptoe-johnson.com

April 18, 2012

Via Hand Delivery

11:18 AM APR 18 2012 PSC EXEC SEC DIV

Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25323

Case No.: 11-1506-PWD-CN

OAKLAND PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct a improvements to the District's water treatment facility, including waterline extensions to 86 new customers along Chapman Road, Tope Road, Gibson Road, Lowes Drive, Kit Drive, Daniel Drive and Cameron Hollow

Dear Ms. Squire:

Enclosed herein for filing on behalf of the Oakland Public Service District, please find an affidavit by the District's certified public accountant.

Please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, I ask that you date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and should you have any questions please contact me at (304) 353-8196.

Best Regards,

John C. Stump
(W. V. State Bar No. 6385)

Enclosures

668010.00001

Case No.: 11-1506-PWD-CN

OAKLAND PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct a improvements to the District's water treatment facility, including waterline extensions to 86 new customers along Chapman Road, Tope Road, Gibson Road, Lowes Drive, Kit Drive, Daniel Drive and Cameron Hollow

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

AFFIDAVIT

I, Michael D. Griffith, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 11-1506-PWD-CN dated January 27, 2012 which became a Final Order on February 16, 2012 approving funding consisting of: (a) a $230,000 Hancock County Commission grant; (b) a $192,000 WV Department of Health and Human Resources grant; (c) a $100,000 contribution in aid of construction from Oakland PSD; (d) a $3,014,455 Drinking Water Treatment Revolving Fund loan with 0% interest and 1% administrative fee for a 30 year term; and (e) an $800,000 DWTRF principal forgiveness loan for a total project cost of $4,336,455.

Based upon all the information that has been provided to me, to date, I am of the opinion that the rates and charges are not affected by the revised funding consisting of: (a) a $230,000 Hancock County Commission grant; (b) a $192,000 WV Department of Health and Human Resources grant; (c) a $100,000 contribution in aid of construction from Oakland PSD; (d) a $3,014,455 Drinking Water Treatment Revolving Fund loan with 0% interest and 1% administrative fee for a 30 year term; and (e) an $1,367,839 DWTRF principal forgiveness loan for a total project cost of $4,904,294.

This Affidavit is executed on the 17th day of April, 2012.

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

Taken, subscribed and sworn to before me this 17th day of April, 2012.

My commission expires April 26, 2014.

[SEAL]

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Dreama Kingrey
Notary Public

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

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

2/16/2012

Entered: January 27, 2012

CASE NO. 11-1506-PWD-CN

OAKLAND PUBLIC SERVICE DISTRICT,
a public utility, Weirton, Hancock County.

Application for a certificate of convenience and necessity to construct improvements to the District's water treatment facility, including waterline extensions to 86 new customers along Chapman Road, Tope Road, Gibson Road, Lowes Drive, Kit Drive, Daniel Drive and Cameron Hollow.

RECOMMENDED DECISION

This Recommended Decision grants the certificate application and approves the financing and Staff-recommended rates.

PROCEDURE

On October 14, 2011, Oakland Public Service District (District), a public water utility, filed an application with the Public Service Commission of West Virginia under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to construct improvements to the District's water treatment facility, including waterline extensions to 86 new customers along Chapman Road, Tope Road, Gibson Road, Lowes Drive, Kit Drive, Daniel Drive and Cameron Hollow. The West Virginia Infrastructure and Jobs Development Council (IJDC) approved the project. The District estimated that the project would cost approximately $4,336,455, to be funded by a $230,000 grant from the Hancock County Commission; a $100,000 contribution in aid of construction from the District; a $3,014,455 loan from the Drinking Water Treatment Revolving Fund (DWTRF) with 0% interest and 1% administrative fee for a 30-year term; and an $800,000 DWRTF principal-forgiveness loan.

By the Commission Order entered on October 17, 2011, the Commission required that the District publish the Notice of Filing attached to that Order one time each in newspapers duly qualified under *Code* §59-3-1 *et seq.*, published and generally circulated in each county where the District provides service, providing a 30-day protest period. The October 17, 2011 Order also required that, within 30 days of the Order, the District serve a copy of the Notice of Filing on each of its customers by United States Certified Mail, return receipt requested, or, if the District bills by postcard, to include the following statement on the next postcard billing: "This utility is seeking a rate increase. Details available in newspaper publications or at the utility office after October 13, 2011, by calling the

Oakland Public Service District office at (304) 797-8353." Finally, the October 17, 2011 Order directed that the District file an affidavit showing compliance with these notice requirements, including a publication affidavit. The October 17, 2011 Order also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application.

On October 20, 2011, the District filed an amended proposed Notice of Filing, indicating that the original Notice of Filing contained errors due to the District providing incorrect information.

Responding to the District's October 20, 2011 request, by Further Commission Order entered on October 21, 2011, the Commission directed that the District publish the Amended Notice of Filing Order attached to the October 21, 2011 Order one time each in newspapers duly qualified under *Code* §59-3-1 *et seq.*, published and generally circulated in each county where the District provides service, providing a 30-day protest period. The October 21, 2011 Order also required that, within 30 days of the Order, the District serve a copy of the Notice of Filing on each of its customers by United States Certified Mail, return receipt requested, or, if the District bills by postcard, to include the following statement on the next postcard billing: "This utility is seeking a rate increase. Details available in newspaper publications or at the utility office after October 13, 2011, by calling the Oakland Public Service District office at (304) 797-8353." Finally, the October 21, 2011 Order directed that the District file an affidavit showing compliance with these notice requirements, including a publication affidavit. The October 21, 2011 Order also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application.

By the Referral Order entered on October 25, 2011, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before February 27, 2012, if substantial protest was not filed, or by March 27, 2012, if the matter was substantially protested.

On November 24, 2012, Staff Attorney L. R. Sammons submitted the Initial Joint Staff Memorandum, attaching the November 9, 2011 Utilities Division Initial Memorandum from Utilities Analyst Aaron Pillar, indicating that, once it had completed its investigation, Commission Staff would submit a final substantive recommendation. Commission Staff related that some of the information contained in the District's application was either incorrect or incomplete and requested that the District furnish Staff with correct and complete information, including a revised Rule 42 Exhibit, before Staff could make a substantive recommendation.

On December 1, 2011, the District submitted a revised Rule 42 Exhibit and other documentation in response to Staff's request.

On December 2, 2011, one individual filed a protest letter.

By Procedural Order issued on December 9, 2011, the Administrative Law Judge (ALJ) directed that the District file the affidavits required in this matter, indicating that he could not

determine the decision due date, consider a rate increase in the context of a certificate application or otherwise process the application until the proper affidavits had been filed.

On December 15, 2011, the District filed a publication affidavit showing that the Notice of Filing was published on November 11, 2011, in *The Weirton Times*, a newspaper published and generally circulated in Weirton, Hancock County. Also on December 15, 2011, the District filed an affidavit indicating that the District had mailed a proper notice to each of its customers on November 18, 2011, informing them of the proposed rate increase sought in the certificate application, and that the District had posted the Notice of Filing at its office beginning on November 10, 2011. The December 15, 2011 filing also contained a copy of a press release published in *The Weirton Times* on November 11, 2011, containing the substance of the Notice of Filing. The press release also explained that the District is seeking two rate increases, one in a general rate case and another in the certificate application, with the one in the certificate application being necessary if the project is approved and completed.

By Order Confirming Decision Due Date issued on December 22, 2011, the ALJ held that the District had filed the proper affidavits required in this certificate application in which a rate increase also is sought. The ALJ also held that the matter has not been substantially protested. For that reason, the ALJ confirmed that he must render his written recommended decision no later than February 27, 2012. Since the matter was not substantially protested, the ALJ indicated that he would not schedule the matter for a hearing, unless Commission Staff or the District requested a hearing.

On December 27, 2011, the District submitted Tariff Form No. 6, confirming that it had completed all of the notice requirements.

On January 12, 2012, Staff Attorney Sammons filed the Final Joint Staff Memorandum, attaching the January 10, 2012 Engineering and Utilities Division Final Recommendations, with attached exhibits, prepared by Mr. Pillar and by Technical Analyst Joseph Marakovits, Engineering Division. Together, these Memoranda comprise Commission Staff's final substantive recommendation. The project will serve approximately 86 new residential customers and is comprised of water treatment facilities, approximately 32,000 linear feet of 8-inch and 6-inch waterlines, fire hydrants and other appurtenances, a new 375,000-gallon water storage tank and the rehabilitation and resurfacing of two existing water tanks. The IJDC approved the project, No. 2008W-1039, as technically feasible. The total project will cost approximately $4,336,445, of which $3,365,300 is for construction. Including the approximately 847 existing customers and the proposed new customers, the project will cost approximately $4,673 per customer. Staff opined that the costs are reasonable, but noted that it had not been bid. The West Virginia Office of Environmental Health Services, which approved the plans and specifications for the project, issued Permit No. 18,902 for the project. The plans and specifications do not conflict with the Commission's engineering requirements. The households in the project area utilize private wells, many of which are contaminated from outside sources and do not produce sufficient quantity during times of drought. The project also will provide needed fire protection service to the residents of the area. Also, the current raw sources in the District's existing system contain high concentrations of iron and manganese which exceed United States Environmental Protection Agency (EPA) standards. The

project's new treatment facility will remove these contaminants from the existing water supply to serve existing customers with higher quality water. The two existing tanks, which are severely rusted and need to be repaired, are not sufficient to meet the demand for existing customers and the new tank will supplement those tanks and make it possible to serve the new customers. The project will increase operation and maintenance (O&M) expenses by approximately $27,523, which Staff termed as reasonable.

The $4,336,445 project will be funded with a $230,000 Hancock County Commission grant; a $192,000 grant from the West Virginia Department of Health and Human Services (DHHR); a $100,000 contribution in aid of construction from the District; a $3,014,455 DWTRF loan with 0% interest and 1% administrative fee for a 30-year term; and an $800,000 DWTRF principal-forgiveness loan. The District has obtained commitments for all of the financing. The District proposed rates that would increase revenues by approximately 38.5%, while the Staff-recommended rates would increase revenues by approximately $157,202, or 31.54%, over the Staff-recommended rates pending in Case No. 11-0904-PWD-42A.[1] Once the project is operational, the Staff-recommended rates and charges in the instant certificate case will cover the District's operating cash requirements of approximately $275,531 and the debt service requirements of approximately $214,269; provide a 128.68% debt service coverage ratio; and generate a cash surplus of approximately $46,477, which is comparable to the District's five-year average of capital additions of $46,235. Staff recommended that the Commission reject the addition of a $25 service disconnect fee. Staff calculated the leak adjustment rate to be $1.96 per 1,000 gallons.

Commission Staff recommended that the Commission grant the certificate application, pending the receipt of all necessary federal, state and local permits and approvals; approve the funding; and approve the Staff-recommended rates and charges. The District should be ordered to file the certificate of bid tabulations and the certificate of substantial completion within 10 days of those becoming available. The District must obtain separate Commission approval should the scope, plans or financing change, except that separate approval for changes in financing are not required if a certified public accountant certifies that such change will not affect rates.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing.

The ALJ holds that, since the District gave proper notice to the public of the application; since the approximately 86 new customers to be added on by the project do not have a safe or adequate water supply; since the Office of Environmental Health Services has issued Permit No. 18,902, certifying the project for construction and signifying that the project has been designed in accordance with current engineering practice; since the existing treatment plant and water storage facilities are

[1] By Recommended Decision entered on January 9, 2012, Administrative Law Judge Meyishi Pearl Blair approved the Staff-recommended rates in Case No.11-0904-PWD-42A. That Recommended Decision is not yet final.

inadequate and/or in need of repair and improvement; and since Staff has recommended that the Commission approve the application, the public convenience and necessity require the project and the certificate application will be granted. Since the Staff-recommended rates are sufficient to cover the additional O&M expenses generated by the project and the additional debt service required by the proposed funding, since Staff recommended approval of the proposed financing for the project and since letters of commitment for the financing were included with the application, the ALJ will approve the project financing and the Staff-recommended rates. Since the IJDC has approved the project for funding, the ALJ will require that the District seek prior Commission approval before commencing construction should the plans or the scope of the project change or should the rates change. However, a change in project cost would not require separate approval if such change does not affect rates and the District submits an affidavit from a certified public accountant to this effect.

FINDINGS OF FACT

1. The Oakland Public Service District filed an application with the Public Service Commission under *West Virginia Code* §24-2-11 for a certificate of public convenience and necessity to construct, operate and maintain a waterline extension to provide potable water and fire protection to approximately 86 residences in Hancock County and to improve the existing water treatment and storage facilities. (See, application filed October 14, 2011).

2. The Notice of Filing was published on November 11, 2011, in *The Weirton Times*, a newspaper published and generally circulated in Weirton, Hancock County. The District mailed a proper notice to each of its customers on November 18, 2011, informing them of the proposed rate increase sought in the certificate application, and that the District had posted the Notice of Filing at its office beginning on November 10, 2011. The District provided a press release to *TheWeirton Times* on November 11, 2011, containing the substance of the Notice of Filing. The press release also explained that the District is seeking two rate increases, one in a general rate case and another in the certificate application, with the one in the certificate application being necessary if the project is approved and completed. The District submitted Tariff Form No. 6, confirming that it had completed all of the notice requirements. (See, December 15 and 27, 2011 filings).

3. Only one public protest has been filed. (See, Commission's file).

4. The project will cost approximately $4,336,455, to be funded with a $230,000 Hancock County Commission grant; a $192,000 DHHR grant; a $100,000 contribution in aid of construction from the District; a $3,014,455 DWRTF loan with 0% interest and 1% administrative fee for a 30-year term; and an $800,000 DWRTF principal-forgiveness loan. (See, Final Joint Staff Memorandum, with attachments, filed on January 12, 2012).

5. The District has obtained commitments for all of the financing. (See, Final Joint Staff Memorandum, with attachments, filed on January 12, 2012).

6. The project will benefit the District's existing customer base of approximately 847 customers by removing contaminants such as iron and manganese that exceed EPA standards, restore

existing storage tanks that are rusted and in disrepair and almost double the existing storage capacity. The existing storage capacity is not sufficient to meet the demands of the District's customers. (See, Final Joint Staff Memorandum, with attachments, filed on January 12, 2012).

7. The project will provide public water service to approximately 86 new customers whose water supply is inadequate and/or contaminated and provide needed fire protection service. (See, Final Joint Staff Memorandum, with attachments, filed on January12, 2012).

8. The cost per customer for the project is approximately $4,673. (See, Final Joint Staff Memorandum, with attachments, filed on January12, 2012).

9. The Office of Environmental Health Services approved the plans and specifications for the project, which do not conflict with the Commission's engineering requirements. (See, Final Joint Staff Memorandum, with attachments, filed on January12, 2012).

10. The Staff-recommended rates would increase revenues by approximately $157,202, or 31.54%, over the Staff-recommended rates pending in Case No. 11-0904-PWD-42A. (See, Final Joint Staff Memorandum, with attachments, filed on January 12, 2012).

11. Once the project is operational, the Staff-recommended rates and charges in the instant certificate case will cover the District's operating cash requirements of approximately $275,531 and the debt service requirements of approximately $214,269; provide a 128.68% debt service coverage ratio; and generate a cash surplus of approximately $46,477, which is comparable to the District's five-year average of capital additions of $46,235. (See, Final Joint Staff Memorandum, with attachments, filed on January 12, 2012).

12. Staff recommended that the Commission reject the addition of a $25 service disconnect fee. (See, Final Joint Staff Memorandum, with attachments, filed on January 12, 2012).

13. Staff calculated the leak adjustment rate to be $1.96 per 1,000 gallons. (See, Final Joint Staff Memorandum, with attachments, filed on January 12, 2012).

14. Commission Staff recommended that the Commission grant the certificate application, pending the receipt of all necessary federal, state and local permits and approvals; approve the funding; and approve the Staff-recommended rates and charges. The District should be ordered to file the certificate of bid tabulations and the certificate of substantial completion within 10 days of those becoming available. The District should be ordered to obtain separate Commission approval should the scope, plans or financing change, except that separate approval for changes in financing are not required if a certified public accountant certifies that such change will not affect rates. (See, Final Joint Staff Memorandum, with attachments, filed on January 12, 2012).

CONCLUSIONS OF LAW

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

2. The proposed financing for the project should be approved.

3. The District's existing rates are not sufficient to support the project.

4. The Staff-recommended rates are sufficient, but not more than sufficient, to support the proposed project.

5. Should the scope, plans or financing for the project change, the District must obtain prior Commission approval before commencing construction. Changes in project costs do not require separate approval if those changes do not affect rates and the District submits an affidavit from a certified public accountant to this effect.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on October 14, 2011, by Oakland Public Service District pursuant to *West Virginia Code* §24-2-11 to construct certain extensions and other associated facilities to serve approximately 86 additional customers and improve the quality of service to its existing customers be, and hereby is, granted, provided that the District provides the Commission with a copy of all required federal, state and local permits prior to commencing construction.

IT IS FURTHER ORDERED that the proposed financing for the project, comprised of a $230,000 Hancock County Commission grant; a $192,000 West Virginia Department of Health and Human Resources grant; a $100,000 contribution in aid of construction from Oakland Public Service District; a $3,014,455 Drinking Water Treatment Revolving Fund loan with 0% interest and 1% administrative fee for a 30-year term; and an $800,000 DWTRF principal-forgiveness loan, totaling not more than approximately $4,336,455, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Staff-recommended rates and charges attached as Appendix A be, and hereby are, approved for all service rendered by Oakland Public Service District on and after the date that the project is certified as substantially complete.

IT IS FURTHER ORDERED that, within thirty (30) days of the date of substantial completion of the project, Oakland Public Service District file an original and at least five (5) copies of a proper tariff setting forth the rates and changes hereby approved.

IT IS FURTHER ORDERED that, should the scope, plans or financing for the project change, Oakland Public Service District obtain prior Commission approval before commencing construction. Changes in project cost do not require separate approval if those changes do not affect rates and the District submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that Oakland Public Service District submit a copy of the certified tabulation of bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that Oakland Public Service District notify the Commission when the project engineer has performed the substantial completion inspection and file the certificate of substantial completion as soon as it becomes available.

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

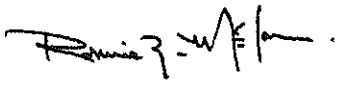
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery; 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 hereby is 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 Recommended Decision is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

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

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



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
111506ab.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 11-1506-PWD-CN

OAKLAND PUBLIC SERVICE DISTRICT.

Application for a certificate of convenience and necessity to construct improvements to the District's water treatment facility, including waterline extensions to 86 new customers along Chapman Road, Tope Road, Gibson Road, Lowes Drive, Kit Drive, Daniel Drive and Cameron Hollow.

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

RATES (customers with metered water supply)

First 2,000 gallons used per month	$12.22 per 1,000 gallons
Next 2,000 gallons used per month	$12.22 per 1,000 gallons

MINIMUM CHARGE

5/8-inch meter	$ 24.44 per month
¾-inch meter	$ 36.66 per month
1-inch meter	$ 61.10 per month
1-1/2-inch meter	$122.20 per month
2-inch meter	$195.52 per month
3-inch meter	$366.60 per month

TAP FEE

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

A tap fee of $250.00 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.

RECONNECTION FEE - $25.00

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

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.

LEAK ADJUSTMENT RATE

$1.96 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the water 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.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class or fifty dollars ($50), whichever is greater. This fee may be changed by applicable statutory provision.

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

April 17, 2012

Cindy Jones, Chairman
Oakland Public Service District
786 Carothers Road
Weirton, WV 26062

Re: Oakland Public Service District
Water Project 2008W-1039
Bid Overrun

Dear Ms. Jones:

At its April 11, 2012 meeting, the West Virginia Infrastructure and Jobs Development Council (Council) reviewed the Oakland Public Service District's (District) overrun in construction bids on the above-referenced project. The Council voted to recommend that the District utilize a $230,000 Hancock County Commission grant, a $192,000 DHHR design grant, a $100,000 local contribution, a $3,014,455 DWTRF loan (0%, 1% Admin Fee, 30 yrs) and $1,367,839 DWTRF principal forgiveness. Total project cost is $4,904,294.

If you have any questions regarding this matter, please contact James W. Ellars at 304-414-6501 (X106).

Sincerely,

Kenneth Lowe, Jr.

cc: Bob Decrease, P.E., BPH *(via e-mail)*
Robert Zulick, P.E., Buchart Horn, Inc., Liberty Tech. Center *(via e-mail)*
Barb Zimnox, B-H-J Metro Planning Commission *(via e-mail)*

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

September 8, 2011

Cindy Jones, Chairman
Oakland Public Service District
786 Carothers Road
Weirton, WV 26062

Re: Oakland Public Service District
Water Project 2008W-1039
Funding Revision

Dear Mr. Jones:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) has reviewed the Oakland Public Service District's (District) revised funding scenario for the above-named project (Project).

Upon consideration of this funding revision, the Infrastructure Council recommends that the District utilize a $230,000 Hancock County Commission grant, a $192,000 Department of Health and Human Resources design grant, a $100,000 Local contribution, a $3,014,455 Drinking Water Treatment Revolving Fund loan (1%, 30 yrs) and $800,000 Drinking Water Treatment Revolving Fund principal forgiveness. Total Project cost is $4,336,455. This revised contingent binding offer from the Bureau for Public Health (BPH) supersedes the previous $300,000 Infrastructure Fund grant commitment from the Infrastructure Council.

If the District has any questions regarding these matters, please contact James W. Ellars at 304-414-6501 (X106) or the BPH at 304-346-4301.

Sincerely,

Kenneth Lowe, Jr.

cc: Bob Decrease, P.E., BPH *(via e-mail)*
Robert Zulick, P.E., Buchart Horn, Inc. *(via e-mail)*
Barb Zimnox, B-H-J Metro Planning Commission *(via e-mail)*

STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR PUBLIC HEALTH
OFFICE OF ENVIRONMENTAL HEALTH SERVICES

Earl Ray Tomblin
Governor

Michael J. Lewis, M.D., Ph.D.
Cabinet Secretary

April 11, 2012

Ms. Cindy Jones, Chairman
Oakland Public Service District
768 Carothers Road
Weirton, West Virginia 26062

RE: Oakland PSD
REVISED - DWTRF Binding Commitment Letter
IJDC Project No.: **2008W-1039**
SRF Project No.: **11DWTRFA012**
Hancock County

Dear Ms. Jones:

The Bureau for Public Health (Bureau) provides this **REVISED** contingent binding offer for a Drinking Water Treatment Revolving Fund (DWTRF) loan of approximately **$3,014,455** and a **$1,367,839 Principal Forgiveness** loan for the Oakland Public Service District's (PSD) proposed project that will add green sand filters to the water treatment plant; add a 200,000 gallon storage tank; and provide approximately 6.5 miles of waterline extension for 148 new customers along Chapman Road, Tope Road, Gibson Road, Bill Hill Road, Lowes Drive, Kit Drive, Daniel Drive, and Cameron Hollow.

This **REVISED** binding offer supersedes any and all previous binding offers between the parties. The loan will be subject to the terms set forth on **"Schedule A"** attached hereto and incorporated herein by reference. The final loan amount will be established after the PSD has received bids for the project. The loan agreement will be between the PSD and West Virginia Water Development Authority (WDA), who is the administrator of the DWTRF, acting on behalf of the Bureau.

If you have any questions regarding this loan commitment, please contact me at (304) 356-4301 or via email Robert.W.DeCrease@wv.gov.

Very truly yours,

Robert W. DeCrease, P.E., Manager
Infrastructure & Capacity Development
Environmental Engineering Division

RWD:snj

350 Capitol Street, Room 313
Charleston, West Virginia 25301-3713
Telephone: (304) 558-2981

Enclosures

pc: Robert Zulick, P.E., Buchart/Horn, Inc. (email copy)
Chris Jarrett, WDA (email copy)
Samme L. Gee, Esquire, Jackson & Kelly (email copy)
Mike Lucas, PSC Attorney (email copy)
Katy Mallory, Steptoe & Johnson (email copy)
Jim Ellars, WV IJDC (email copy)
Barb Zimnox, Region XI P&DC (email copy)
OEHS Wheeling District Office (email copy)

NOTE: This letter is sent in triplicate. Please acknowledge acceptance on <u>two copies</u> and immediately return them both to Robert DeCrease, 350 Capitol Street, Room 313, Charleston, WV 25301-3713.

<u>Oakland PSD Acceptance of Binding Commitment Terms:</u>

By: _____

Title: _____

Date: _____

WEST VIRGINIA BUREAU FOR PUBLIC HEALTH
DRINKING WATER TREATMENT REVOLVING FUND

(Revised Binding Commitment)

REVISED "SCHEDULE A"

April 11, 2012

A. PROJECT:

Oakland Public Service District
Water Treatment Plant and Distribution System Upgrades
Hancock County
IJDC No.: **2008W-1039**
DWTRF No.: **11DWTRFA012**

B. DRINKING WATER TREATMENT REVOLVING FUND (DWTRF):

Loan A	
(DWTRF Base Program):	**$ 3,014,455**
Terms:	0%
Maturity Date:	30 years
Administration Fee:	1% (Paid evenly over 30 years)
Special Conditions:	Annual debt service payment plus administration fee payment is estimated to be **$116,400** plus reserve requirement.

Loan B	
(DWTRF Base Program):	**$1,367,839**
Terms:	Principal Forgiveness
Maturity Date:	10 years
Administration Fee:	Fee is waived
Special Conditions:	There is no repayment of this loan

NOTE: Final loan amounts are determined from receipt of contract bids.

C. OTHER FUNDING SOURCES: Hancock County Grant **$230,000**
DHHR Design Grant **$192,000**
PSD Contribution **$100,000**

D. TOTAL PROJECT COST: **$4,904,294**

E. PROPOSED USER RATES: Post-project user rates must be at least **$41.62** monthly for 4,000 gallons for disadvantaged loan terms. Proposed post-project rate is **$53.00**.

STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR PUBLIC HEALTH
OFFICE OF ENVIRONMENTAL HEALTH SERVICES

Earl Ray Tomblin
Governor

Michael J. Lewis, M.D., Ph.D.
Cabinet Secretary

April 21, 2011

Ms. Cindy Jones, Chairman
Oakland Public Service District
768 Carothers Road
Weirton, WV 26062

RE: DWTRF Binding Commitment Letter
Oakland PSD
IJDC Project No.: **2008W-1039**
SRF Project No.: **10DWTRFB017**
Hancock County

Dear Ms. Jones:

The Bureau for Public Health (Bureau) provides this contingent binding offer for a Drinking Water Treatment Revolving Fund (DWTRF) loan of approximately **$3,514,455** for the Oakland Public Service District (PSD) proposed project that will add green sand filters to the water treatment plant; add a 200,000 gallon storage tank; and provide approximately 6.5 miles of waterline extension for 148 new customers along Chapman Road, Tope Road, Gibson Road, Bill Hill Road, Lowes Drive, Kit Drive, Daniel Drive, and Cameron Hollow.

The loan will be subject to the terms set forth on **"Schedule A"** attached hereto and incorporated herein by reference. The final loan amount will be established after the PSD has received bids for the project. The loan agreement will be between the PSD and West Virginia Water Development Authority (WDA), who is the administrator of the DWTRF, acting on behalf of the Bureau.

This loan commitment is contingent upon the PSD meeting the following:

a. Submit application to the PSC by **July 1, 2011**.

b. Advertising bids for the project by **December 31, 2011**.

c. Closing the loan by **May 1, 2012**.

350 Capitol Street, Room 313
Charleston, West Virginia 25301-3713
Telephone: (304) 558-2981

If the PSD becomes aware that it will not be able to comply with the milestones listed above, they should immediately notify the Bureau of this fact and the circumstances which have caused the non-compliance.

If you have any questions regarding this loan commitment, please contact me at (304) 356-4301 or email robert.w.decrease@wv.gov.

Very truly yours,

Robert DeCrease

Robert W. DeCrease, P.E., Manager
Infrastructure & Capacity Development
Environmental Engineering Division

RWD:bms

Enclosures

pc: Robert Zulick, P.E., Buchart/Horn, Inc.
Chris Jarrett, WDA
Samme L. Gee, Esquire, Jackson & Kelly
OEHS Wheeling District Office
David Thompson, Right-of-Way
Mike Lucas, PSC Attorney
Katy Mallory, Steptoe & Johnson
Jim Ellars, WV IJDC

NOTE: This letter is sent in triplicate. Please acknowledge receipt on two copies and immediately return them both to Robert DeCrease, 350 Capitol Street, Room 313, Charleston, WV 25301-3713.

Oakland PSD Acceptance of Binding Commitment Term:

By: _____

Title: _____

Date: _____

WEST VIRGINIA BUREAU FOR PUBLIC HEALTH
DRINKING WATER TREATMENT REVOLVING FUND

(Binding Commitment)

"SCHEDULE A"

April 21, 2011

A. PROJECT:

Oakland Public Service District
Water Treatment Plant and Distribution System Upgrades
Hancock County
IJDC No.: **2008W-1039**
DWTRF No.: **10DWTRFB017**

B. DRINKING WATER TREATMENT REVOLVING FUND (DWTRF):

Loan A

(DWTRF Base Program):	**$ 3,514,455**
Terms:	0%
Maturity Date:	30 years
Administration Fee:	1% (Paid evenly over 30 years)
Special Conditions:	Annual debt service payment is estimated to be **$117,147** plus reserve requirement.

NOTE: Final loan amount will be determined upon receipt of contract bids.

C. OTHER FUNDING SOURCES: IJDC Grant **$300,000**
Hancock County Grant **$230,000**
DHHR Design Grant **$192,000**
Local Contribution **$100,000**

D. TOTAL PROJECT COST: **$4,336,455**

E. PROPOSED USER RATES: Post-project user rates must be at least **$41.62** monthly rate for 4,000 gallons for disadvantaged loan terms. Proposed post-project rate is **$46.68**.

STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR PUBLIC HEALTH
OFFICE OF ENVIRONMENTAL HEALTH SERVICES

Earl Ray Tomblin
Governor

Michael J. Lewis, M.D., Ph.D.
Cabinet Secretary

August 11, 2011

Ms. Cindy Jones, Chairman
Oakland Public Service District
768 Carothers Road
Weirton, WV 26062

RE: Oakland PSD
REVISED - DWTRF Binding Commitment Letter
IJDC Project No.: **2008W-1039**
SRF Project No.: **11DWTRFA012**
Hancock County

Dear Ms. Jones:

The Bureau for Public Health (Bureau) provides this **REVISED** contingent binding offer for a Drinking Water Treatment Revolving Fund (DWTRF) loan of approximately **$3,014,455** and an **$800,000 Principal Forgiveness** loan for the Oakland Public Service District (PSD) proposed project that will add green sand filters to the water treatment plant; add a 200,000 gallon storage tank; and provide approximately 6.5 miles of waterline extension for 148 new customers along Chapman Road, Tope Road, Gibson Road, Bill Hill Road, Lowes Drive, Kit Drive, Daniel Drive, and Cameron Hollow.

This **REVISED** contingent binding offer supersedes any and all previous binding offers between the parties. The loan will be subject to the terms set forth on **"Schedule A"** attached hereto and incorporated herein by reference. The final loan amount will be established after the PSD has received bids for the project. The loan agreement will be between the PSD and West Virginia Water Development Authority (WDA), who is the administrator of the DWTRF, acting on behalf of the Bureau.

This loan commitment is contingent upon the PSD meeting the following project milestones:

a. Submit application to the PSC by **October 1, 2011**.
b. Advertise construction bids for the project by **December 31, 2011**.
c. Close the DWTRF loans by **May 1, 2012**.

If the PSD becomes aware that it will not be able to comply with the milestones listed above, they should immediately notify the Bureau of this fact and the circumstances which have caused the non-compliance.

If you have any questions regarding this loan commitment, please contact me at (304) 356-4301 or email robert.w.decrease@wv.gov.

Very truly yours,

Robert DeCrease

Robert W. DeCrease, P.E., Manager
Infrastructure & Capacity Development
Environmental Engineering Division

RWD:bms

Enclosures

pc: Robert Zulick, P.E., Buchart/Horn, Inc.
Chris Jarrett, WDA
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David Thompson, Right-of-Way
Mike Lucas, PSC Attorney
Katy Mallory, Steptoe & Johnson
Jim Ellars, WV IJDC
Barb Zimnox, Region XI P&DC

NOTE: This letter is sent in triplicate. Please acknowledge acceptance on <u>two copies</u> and immediately return them both to Robert DeCrease, 350 Capitol Street, Room 313, Charleston, WV 25301-3713.

<u>Oakland PSD Acceptance of Binding Commitment Terms:</u>

By: _____

Title: _____

Date: _____

WEST VIRGINIA BUREAU FOR PUBLIC HEALTH
DRINKING WATER TREATMENT REVOLVING FUND

(Revised Binding Commitment)

REVISED "SCHEDULE A"

August 11, 2011

A. PROJECT:

Oakland Public Service District
Water Treatment Plant and Distribution System Upgrades
Hancock County
IJDC No.: **2008W-1039**
DWTRF No.: **11DWTRFA012**

B. DRINKING WATER TREATMENT REVOLVING FUND (DWTRF):

Loan A	
(DWTRF Base Program):	**$ 3,014,455**
Terms:	0%
Maturity Date:	30 years
Administration Fee:	1% (Paid evenly over 30 years)
Special Conditions:	Annual debt service payment plus administration fee payment is estimated to be **$116,400** plus reserve requirement.

Loan B	
(DWTRF Base Program):	**$ 800,000**
Terms:	Principal Forgiveness
Maturity Date:	10 years
Administration Fee:	Fee is waived
Special Conditions:	There is no repayment of this loan

NOTE: Final loan amount will be determined upon receipt of contract bids.

C. OTHER FUNDING SOURCES: Hancock County Grant **$230,000** ✓
DHHR Design Grant **$192,000** ✓
PSD Contribution **$100,000**

D. TOTAL PROJECT COST: **$4,336,455**

E. PROPOSED USER RATES: Post-project user rates must be at least **$41.62** monthly rate for 4,000 gallons for disadvantaged loan terms. Proposed post-project rate is **$53.00**.

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

CROSS-RECEIPT FOR SERIES 2012 BONDS AND BOND PROCEEDS

On this 24th day of May, 2012, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of the Public Service Board of Oakland Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 24th day of May, 2012, the Authority received the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, in the principal amount of $3,014,455, numbered AR-1 (the "Series 2012 A Bonds"), issued as a single, fully registered Bond, and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), of the Issuer, in the principal amount of $1,367,839, numbered BR-1 (the "Series 2012 B Bonds"), issued as a single, fully registered Bond and both dated May 24, 2012 (collectively, the "Series 2012 Bonds").

2. At the time of such receipt of the Series 2012 Bonds upon original issuance, the Series 2012 Bonds had been executed by the Chairman and Secretary of the Public Service Board of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2012 Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2012 A Bonds, of $75,362, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2012 B Bonds, of the sum of $34,196, being a portion of the principal amount of the Series 2012 B Bonds. The balance of the principal amount of the Series 2012 B Bonds will be advanced by the Authority and the BPH to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

OAKLAND PUBLIC SERVICE DISTRICT

Chairman

04.19.12
668010.00001

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER SERIES 2012 BONDS

The Huntington National Bank, as
Bond Registrar for the Series 2012 Bonds
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 24th day of May, 2012.

(1) Bond No. AR 1, constituting the entire original issue of the Oakland Public Service District Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), in the principal amount of $3,014,455, dated May 24, 2012 (the "Series 2012 A Bonds"), and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), in the principal amount of $1,367,839, dated May 24, 2012 (the "Series 2012 B Bonds") executed by the Chairman and Secretary of Oakland 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 16, 2012, and a Supplemental Resolution duly adopted by the Issuer on May 16, 2012 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the Loan Agreement dated May 24, 2012 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority");

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2012 A Bonds; and

(5) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2012 B Bonds.

You are hereby requested and authorized to deliver the Series 2012 Bonds to the Authority upon payment to the Issuer of the sum of $75,362, representing a portion of portion of the principal amount of the Series 2012 A Bonds and $34,196, representing a portion of portion of the principal amount of the Series 2012 B Bonds. Prior to such delivery of the Series 2012 Bonds, you will please cause the Series 2012 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar for the Series 2012 Bonds, 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.

OAKLAND PUBLIC SERVICE DISTRICT

Chairman

04.19.12
668010.00001

5733112

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OAKLAND PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2012 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $3,014,455

KNOW ALL MEN BY THESE PRESENTS: That on this 24th day of May, 2012, OAKLAND PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Hancock 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 MILLION FOURTEEN THOUSAND FOUR HUNDRED FIFTY-FIVE DOLLARS ($3,014,455), 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 June 1, 2014 to and including March 1, 2044 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. The Administrative Fee of 1% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014 as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated May 24, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); and (ii) to pay costs of issuance for the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System." This Bond is issued

under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on May 16, 2012, and a Supplemental Resolution duly adopted by the Issuer on May 16, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S: (I) WATER REVENUE BONDS, SERIES 1995 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 28, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $579,740 (THE "SERIES 1995 BONDS" OR THE "PRIOR BONDS"); AND WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM), DATED MAY 24, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,367,839.

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 the Series 2012 B Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 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 2012 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2012 B Bonds; provided however, that so long as there exists in the Series 2012 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 Prior Bonds and the Series 2012 B 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 (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, OAKLAND 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 one of the Series 2012 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 24, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $75,362	05/24/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Net Debt Service

Oakland Public Service District

DWTRF

$3,014,455

0% Interest Rate

1% Administrative Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2014	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2014	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2014	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2015	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2015	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2015	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2015	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2016	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2016	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2016	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2016	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2017	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2017	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2017	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2017	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2018	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2018	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2018	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2018	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2019	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2019	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2019	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2019	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2020	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2020	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2020	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2020	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2021	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2021	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2021	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2021	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2022	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2022	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2022	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2022	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2023	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2023	25,121		25,121	3,799.44	2,512.10	31,432.54
9/1/2023	25,121		25,121	3,799.44	2,512.10	31,432.54
12/1/2023	25,121		25,121	3,799.44	2,512.10	31,432.54
3/1/2024	25,121		25,121	3,799.44	2,512.10	31,432.54
6/1/2024	25,121		25,121	3,799.44		28,920.44
9/1/2024	25,121		25,121	3,799.44		28,920.44
12/1/2024	25,121		25,121	3,799.44		28,920.44
3/1/2025	25,121		25,121	3,799.44		28,920.44
6/1/2025	25,121		25,121	3,799.44		28,920.44
9/1/2025	25,121		25,121	3,799.44		28,920.44

Net Debt Service
Oakland Public Service District
DWTRF
$3,014,455
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2025	25,121		25,121	3,799.44		28,920.44
3/1/2026	25,121		25,121	3,799.44		28,920.44
6/1/2026	25,121		25,121	3,799.44		28,920.44
9/1/2026	25,121		25,121	3,799.44		28,920.44
12/1/2026	25,121		25,121	3,799.44		28,920.44
3/1/2027	25,121		25,121	3,799.44		28,920.44
6/1/2027	25,121		25,121	3,799.44		28,920.44
9/1/2027	25,121		25,121	3,799.44		28,920.44
12/1/2027	25,121		25,121	3,799.44		28,920.44
3/1/2028	25,120		25,120	3,799.44		28,919.44
6/1/2028	25,120		25,120	3,799.44		28,919.44
9/1/2028	25,120		25,120	3,799.44		28,919.44
12/1/2028	25,120		25,120	3,799.44		28,919.44
3/1/2029	25,120		25,120	3,799.44		28,919.44
6/1/2029	25,120		25,120	3,799.44		28,919.44
9/1/2029	25,120		25,120	3,799.44		28,919.44
12/1/2029	25,120		25,120	3,799.44		28,919.44
3/1/2030	25,120		25,120	3,799.44		28,919.44
6/1/2030	25,120		25,120	3,799.44		28,919.44
9/1/2030	25,120		25,120	3,799.44		28,919.44
12/1/2030	25,120		25,120	3,799.44		28,919.44
3/1/2031	25,120		25,120	3,799.44		28,919.44
6/1/2031	25,120		25,120	3,799.44		28,919.44
9/1/2031	25,120		25,120	3,799.44		28,919.44
12/1/2031	25,120		25,120	3,799.44		28,919.44
3/1/2032	25,120		25,120	3,799.44		28,919.44
6/1/2032	25,120		25,120	3,799.44		28,919.44
9/1/2032	25,120		25,120	3,799.44		28,919.44
12/1/2032	25,120		25,120	3,799.44		28,919.44
3/1/2033	25,120		25,120	3,799.44		28,919.44
6/1/2033	25,120		25,120	3,799.44		28,919.44
9/1/2033	25,120		25,120	3,799.44		28,919.44
12/1/2033	25,120		25,120	3,799.44		28,919.44
3/1/2034	25,120		25,120	3,799.44		28,919.44
6/1/2034	25,120		25,120	3,799.44		28,919.44
9/1/2034	25,120		25,120	3,799.44		28,919.44
12/1/2034	25,120		25,120	3,799.44		28,919.44
3/1/2035	25,120		25,120	3,799.44		28,919.44
6/1/2035	25,120		25,120	3,799.44		28,919.44
9/1/2035	25,120		25,120	3,799.44		28,919.44
12/1/2035	25,120		25,120	3,799.44		28,919.44
3/1/2036	25,120		25,120	3,799.44		28,919.44
6/1/2036	25,120		25,120	3,799.44		28,919.44
9/1/2036	25,120		25,120	3,799.44		28,919.44
12/1/2036	25,120		25,120	3,799.44		28,919.44
3/1/2037	25,120		25,120	3,799.44		28,919.44

Oakland Public Service District
DWTRF
$3,014,455
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2037	25,120		25,120	3,799.44		28,919.44
9/1/2037	25,120		25,120	3,799.44		28,919.44
12/1/2037	25,120		25,120	3,799.44		28,919.44
3/1/2038	25,120		25,120	3,799.44		28,919.44
6/1/2038	25,120		25,120	3,799.44		28,919.44
9/1/2038	25,120		25,120	3,799.44		28,919.44
12/1/2038	25,120		25,120	3,799.44		28,919.44
3/1/2039	25,120		25,120	3,799.44		28,919.44
6/1/2039	25,120		25,120	3,799.44		28,919.44
9/1/2039	25,120		25,120	3,799.44		28,919.44
12/1/2039	25,120		25,120	3,799.44		28,919.44
3/1/2040	25,120		25,120	3,799.44		28,919.44
6/1/2040	25,120		25,120	3,799.44		28,919.44
9/1/2040	25,120		25,120	3,799.44		28,919.44
12/1/2040	25,120		25,120	3,799.44		28,919.44
3/1/2041	25,120		25,120	3,799.44		28,919.44
6/1/2041	25,120		25,120	3,799.44		28,919.44
9/1/2041	25,120		25,120	3,799.44		28,919.44
12/1/2041	25,120		25,120	3,799.44		28,919.44
3/1/2042	25,120		25,120	3,799.44		28,919.44
6/1/2042	25,120		25,120	3,799.44		28,919.44
9/1/2042	25,120		25,120	3,799.44		28,919.44
12/1/2042	25,120		25,120	3,799.44		28,919.44
3/1/2043	25,120		25,120	3,799.44		28,919.44
6/1/2043	25,120		25,120	3,799.44		28,919.44
9/1/2043	25,120		25,120	3,799.44		28,919.44
12/1/2043	25,120		25,120	3,799.44		28,919.44
3/1/2044	25,120		25,120	3,799.44		28,919.44
	3,014,455		3,014,455	455,932.80	100,484.00	3,570,871.80

Notes:

Estimated Monthly Net Debt Service Payments:

$10,447.51 March 1, 2014 through February 1, 2024

$9,640.15 March 1, 2024 through November 1, 2027

$9,639.82 December 1, 2027 through February 1, 2044

Admin Fee calculated based on 1% of bond value computed quarterly paid in equal quarterly payme

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OAKLAND PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1 $1,367,839

KNOW ALL MEN BY THESE PRESENTS: That on this 24th day of May, 2012, OAKLAND PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Hancock 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 THREE HUNDRED SIXTY-SEVEN THOUSAND EIGHT HUNDRED THIRTY NINE DOLLARS ($1,367,839), 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. This Bond shall bear no interest. The principal amounts will be deemed forgiven on the 30th day of June of the fiscal year in which advanced. The Bond shall be deemed no longer outstanding after the last advance is forgiven. This Bond shall not be subject to the DWTRF Administrative fee (as defined in the hereinafter describe Bond Legislation).

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated May 24, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance for the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on May 16, 2012, and a Supplemental Resolution duly adopted by the Issuer on May 16, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1995 (WEST VIRGINIA WATER DEVELOPMENT

AUTHORITY), DATED JUNE 28, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $579,740 (THE "SERIES 1995 BONDS" OR THE "PRIOR BONDS"); AND WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED MAY 24, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,014,455.

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 the Series 2012 A Bonds, 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 and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2012 A Bonds; provided however, that so long as there exists in the respective reserve accounts an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2012 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All 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.

[Remainder of Page Intentionally Blank]

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

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: May 24, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $34,196	05/24/12	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of)

ASSIGNMENT

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 24, 2012

Oakland Public Service District
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program)

Oakland Public Service District
Weirton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Oakland 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 $3,014,455 Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated May 24, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014 to and including March 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 Series 2012 A Bonds are subject to the Administrative Fee equal to 1.0% of the principal amount of the Series 2012 A Bonds as set forth in the Schedule Y attached to the Loan Agreement.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purpose of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on May 16, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 16, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the BPH and cannot be amended so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.

3. The Bond Legislation and all other necessary orders and resolutions have been duly adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Water Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated June 28, 1995, issued in the original aggregate principal amount of $579,740 (the "Series 1995 Bonds") and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), dated May 24, 2012, issued in the original aggregate principal amount of $1,367,839 issued simultaneously herewith all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

We have examined the executed and authenticated Bond numbered 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

04.26.12
668010.00001

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 24, 2012

Oakland Public Service District
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

Oakland Public Service District
Weirton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Oakland 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 $1,367,839 Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated May 24, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with the principal amounts advanced deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Bonds shall be deemed no longer outstanding after the last advance is forgiven. The Series 2012 B Bonds are not subject to the Administrative Fee.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purpose of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on May 16, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 16, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the BPH and cannot be amended so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.

3. The Bond Legislation and all other necessary orders and resolutions have been duly adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Water Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated June 28, 1995, issued in the original aggregate principal amount of $579,740 (the "Series 1995 Bonds") and Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated May 24, 2012, issued in the original aggregate principal amount of $3,014,455 issued simultaneously herewith all in accordance with the terms of the Bonds and the Bond Legislation.

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

6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax

purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

04.19.12
668010.00001

MICHAEL W. LUCAS III
ATTORNEY AT LAW

449 CAROLINA AVE.
P.O. BOX 246
CHESTER, WV 26034

412-335-1734
(FAX) 866-805-4687
lucas440@comcast.net

(Licensed in WV and PA)

May 24, 2012

OPINION OF COUNSEL TO ISSUER

Oakland Public Service District
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

Oakland Public Service District
Weirton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Oakland Public Service District, a public service district, in Hancock County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2012 Bonds dated May 24, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), the Bond Resolution duly adopted by the Issuer on May 16, 2012, as supplemented by the Supplemental Resolution duly adopted by the Issuer on May 16, 2012 (collectively, the "Bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds") and orders of The

County Commission of Hancock County relating to the Issuer and the appointment of the members of the Public Service Board of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

As of the date of May 24, 2012, I am of the opinion that:

1. The Issuer has been duly created and validly exists as a public service district and public corporation and political subdivision of the State of West Virginia.

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

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

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

5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

6. In reliance upon the Certificate of Engineer and the Opinion of Bond Counsel, 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 West Virginia Bureau for Public Health, The County Commission of Hancock County, and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of resolution prescribing such rates and charges.

7. The Issuer has received all orders, certificates and authorizations from the Public Service Commission of West Virginia necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the implementation

of rates and charges, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia entered January 27, 2012, which became Final Order on February 16, 2012 and an affidavit of CPA dated April 17, 2012 in Case No. 11-1506-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project; approving rates for the System and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof. Such Order remains in full force and effect.

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

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

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

Sincerely,

Michael W. Lucas III, Esq.
Counsel for Oakland Public Service District

MICHAEL W. LUCAS III

ATTORNEY AT LAW

449 CAROLINA AVE.
P.O. BOX 246
CHESTER, WV 26034

412-335-1734
lucas440@comcast.net

(licensed in WV and PA)

FINAL TITLE OPINION

May 24, 2012

Oakland Public Service District
768 Carothers Road
Weirton, West Virginia 26062

West Virginia Bureau for Public Health
350 Capitol Street
Charleston, West Virginia 25301

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

Re: Oakland Public Service District

Dear Ladies & Gentlemen:

I represent the Oakland Public Service District (the "District") with regard to a proposed water improvement project (the "Project"), and provides this final title opinion on behalf of the District to satisfy the requirements of the West Virginia Bureau for Public Health with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Oakland 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. Upon reliance of the Certificate of Engineer, the District has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required to effectuate plans for the Project prepared by Buchart Horn, Inc., the consulting engineers for the Project.

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

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

Sincerely,

Michael W. Lucas III, Esq.
Counsel for Oakland Public Service District

cc: John Stump, Esquire
Samme L. Gee, Esquire

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and SECRETARY of the Public Service Board of Oakland Public Service District in Hancock County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify, on this the 24th day of May, 2012, in connection with the $3,014,455 Oakland Public Service District Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) (the "Series 2012 A Bonds") and $1,367,839 Oakland Public Service District Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), (collectively, the "Series 2012 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 16, 2012, and the Supplemental Resolution duly adopted May 16, 2012 (collectively, the "Bond Legislation").

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

3, GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

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

There are outstanding bonds of the Issuer which will rank on a parity with the Series 2012 Bonds as to liens, pledge and source of and security for payment, and in all respects, being the Issuer's Water Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated June 28, 1995, issued in the original aggregate principal amount of $579,740 (the "Series 1995 Bonds" or the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2012 Bonds as to liens, pledges and/or source of and security for payment.

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 consents of the Holders of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

Bond Resolution

Supplemental Resolution

DWTRF Program Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation of District

County Commission Orders of Appointment of Current Board Members

Oaths of Office of Current Board Members

Rules of Procedure

Affidavit of Publication of Notice of Filing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution, Supplemental Resolution and Rules of Procedure

Infrastructure Fund Grant Agreement

Bureau for Public Health Permit

Evidence of Insurance

Evidence of Local Grants

6. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Oakland Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Hancock 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
Cindy Jones	September 1, 2010	September 1, 2016
Larry Manypenny	April 28, 2011	September 20, 2012
George Rollage	February 6, 2012	June 30, 2014

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 2012 are as follows:

Chairman	-	Cindy Jones
Secretary	-	Larry Manypenny

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond

Legislation. 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 dates of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

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.

11. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's 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 Ordinance and the Loan Agreement. To the best of our knowledge, all insurance for the System required by the Ordinance and the Loan Agreement are in full force and effect.

12. VERIFICATION OF SCHEDULE: 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.

13. RATES: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on January 27, 2012 which became Final Order on February 16, 2012 in Case No. 11-1506-PWD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of the Order has expired prior to the date hereof. Such Order remains in full force and effect.

14. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on January 27, 2012, which became Final Order on February 16, 2012 and an affidavit of CPA dated April 17, 2012 in Case No. 11-1506-PWD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, approving rates for the

Project and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof. Such Order remains in full force and effect.

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

16. BOND PROCEEDS: A. On the date hereof, the Issuer received $75,362 from the Authority and the BPH, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

B. On the date hereof, the Issuer received $34,196 from the Authority and the BPH, being a portion of the principal amount of the Series 2012 B Bonds. The balance of the principal amount of the Series 2012 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

17. PUBLICATION OF NOTICE OF FILING: The Issuer has published the required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges and filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia.

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

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

20. GRANTS: The West Virginia Bureau for Public Health grant in the amount of $192,000, the Hancock County grant in the amount of $230,000 and the local contribution in the amount of $100,000, are hereby fully committed.

21. 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.

22. 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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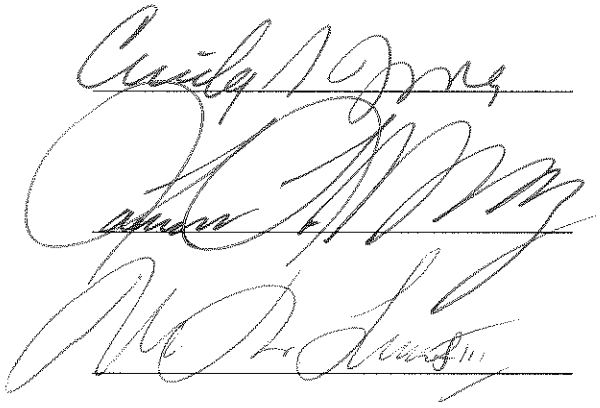
WITNESS our signatures and the official seal of Oakland Public Service District on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Chairman
	Secretary
	Counsel to the Issuer

04.19.12
668010.00001

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

CERTIFICATE OF ENGINEER

I, Michael A. Schober, Registered Professional Engineer, West Virginia License No. 13688, of Buchart Horn, Inc., Lancaster, Pennsylvania, hereby certify this 24th day of May, 2012 as follows:

1. My firm is engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing waterworks system (the "System") of Oakland Public Service District (the "Issuer") to be constructed primarily in Hancock County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on May 16, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer on May 16, 2012, and the Loan Agreement for the Series 2012 Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated May 24, 2012 (the "Loan Agreement").

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Authority and the BPH, and any change orders approved by the Issuer, the BPH, the Authority, and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 32 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, Michael Lucas, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Issuer's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain all critical operational components of the Project; (vii) the successful bids include prices for every

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

4. The project has been designed to, and the construction contracts provide for, water service for up to 86 new customers along Chapman Road, Tope Road, Gibson Road, Lowes Drive, Kit Drive, Daniel Drive and Cameron Hollow areas.

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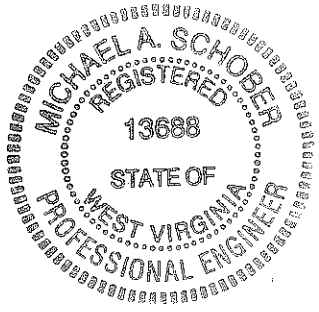
WITNESS my signature and seal on the day and year first written above.

(SEAL)



BUCHART HORN, INC.

Michael A. Schober, P. E.
West Virginia License No. 13688

668010.00001

5733117

SCHEDULE B - OAKLAND WATER PROJECT

Water Project 5/10/2012

Final Total Cost of Project, Sources of Funding and Cost of Financing

		Total	DWTRF Design Grant	LOCAL	Hancock County	DWTRF	DWTRF (Forgivable)
A. Cost of Project							
1. Construction							
a. Contract 1 (JF Allen)	Water Extensions	1,504,979.00	0.00	0.00	0.00	704,979.00	800,000.00
b. Contract 2 (Caldwell)	Chapman Road Tank	588,250.00	0.00	0.00	0.00	588,250.00	0.00
c. Contract 3-a (Caldwell)	Golden Keys Tankrehab	133,750.00	0.00	0.00	0.00	133,750.00	0.00
d. Contract 3-b (Welding)	Wylie Ridge Standpipe	136,400.00	0.00	0.00	0.00	136,400.00	0.00
d. Contract 4 (Welding)	WTP Improvements	1,592,000.00	0.00	0.00	0.00	1,024,161.00	567,839.00
2. Engineering							
a. Design		313,430.00	192,000.00	0.00	121,430.00	0.00	0.00
b. Inspection		159,460.00	0.00	0.00	0.00	159,460.00	0.00
c. Special Services		40,000.00	0.00	0.00	0.00	40,000.00	0.00
d. Asset Management Plan		9,800.00	0.00	5,545.00	0.00	4,255.00	0.00
3. Accountant		40,000.00	0.00	1,812.00	38,188.00	0.00	0.00
4. Legal		110,000.00	0.00	42,143.00	37,857.00	30,000.00	0.00
5. Administration		40,000.00	0.00	24,500.00	15,500.00	0.00	0.00
6. Sites and Other Lands		27,025.00	0.00	10,000.00	17,025.00	0.00	0.00
7. DOH Inspection Fees		14,000.00	0.00	14,000.00	0.00	0.00	0.00
8. DOH Bond		2,000.00	0.00	2,000.00	0.00	0.00	0.00
7. Contingency	4%	167,200.00	0.00	0.00	0.00	167,200.00	0.00
8. Total of Lines 1 through 7		4,878,294.00	192,000.00	100,000.00	230,000.00	2,988,455.00	1,367,839.00
B. COST OF FINANCING							
9 Reserve		0.00	0.00	0.00	0.00	0.00	0.00
10. Registrar		1,000.00	0.00	0.00	0.00	1,000.00	0.00
11. Bond Counsel		25,000.00	0.00	0.00	0.00	25,000.00	0.00
12. Total Cost of Financing (lines 9 thru 11)		26,000.00	0.00	0.00	0.00	26,000.00	0.00
13. Total Project Costs (line 8 plus line 12)		4,904,294.00	192,000.00	100,000.00	230,000.00	3,014,455.00	1,367,839.00
C. SOURCES OF FUNDING							
14. Federal Grant	BPH Design Grant	192,000.00	192,000.00	0.00	0.00	0.00	0.00
15. State Grant		0.00	0.00	0.00	0.00	0.00	0.00
16. Local Grant	County	230,000.00	0.00	0.00	230,000.00	0.00	0.00
17. Local Grant	PSD	100,000.00	0.00	100,000.00	0.00	0.00	0.00
18. Total Grants (Lines 14 through 17)		522,000.00	192,000.00	100,000.00	230,000.00	0.00	0.00
19 Bond Issue Amount (Line 13 minus line 18)		4,382,294.00	0.00	0.00	0.00	3,014,455.00	1,367,839.00

Oakland Public Service District — May 24, 2012 Date:

Consulting Engineering — May 24, 2012 Date:

May 24, 2012

Oakland Public Service District
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

Oakland Public Service District
Weirton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Recommended Decision entered January 27, 2012 which became a Final Order on February 16, 2012 in Case No. 11-1506-PWD-CN, of the Public Service Commission of West Virginia and projected operating expenses and anticipated customer usage as furnished to us by Buchart Horn, Inc., Consulting Engineer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will (i) pay all repair, operation and maintenance expenses of the System, and (ii) leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) to be issued in the aggregate principal amount of $3,014,455 and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) to be issued in the aggregate principal amount of $1,367,839 (collectively, the "Series 2012 Bonds"), and all other obligations secured by a lien on or payable from the revenues of the System, on a parity with the Series 2012 Bonds, including the Issuer's Water Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated June 28, 1995, issued in the original aggregate principal amount of $579,740 (the "Series 1995 Bonds" or 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 2012 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2012 Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2012 Bonds.

Sincerely,

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

MDG/dk

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

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

On this 24th day of May, 2012, the undersigned Chairman of the Public Service Board of Oakland Public Service District in Hancock County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $3,014,455 Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) (the "Series 2012 A Bonds"), and $1,367,839 Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) (the "Series 2012 B Bonds") of the Issuer, both dated May 24, 2012 (collectively, the "Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on May 16, 2012, as supplemented by Supplemental Resolution adopted May 16, 2012 (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 24, 2012, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal of the 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 the Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Bureau for Public Health (the "BPH"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2012 A Bonds were sold on May 24, 2012, to the Authority, pursuant to a Loan Agreement dated May 24, 2012, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of $3,014,455 (100% of par), at which time, the Issuer received $75,362 from the Authority and the BPH, being the first advance of the

principal amount of the Series 2012 A Bonds. No accrued interest has been or will be paid on the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2012 B Bonds were sold on May 24, 2012, to the Authority, pursuant to a Loan Agreement dated May 24, 2012, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of $1,367,839 (100% of par), at which time, the Issuer received $34,196 from the Authority and the BPH, being the first advance of the principal amount of the Series 2012 B Bonds. No accrued interest has been or will be paid on the Series 2012 B Bonds. The balance of the principal amount of the Series 2012 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

8. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend in excess of 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment, or has already done so. The acquisition, construction and equipping 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, if any, deposited in the Series 2012 A Bonds Reserve Account, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before April 1, 2014. The acquisition and construction of the Project is expected to be completed by October 1, 2013.

9. The total cost of the Project is estimated at $4,904,294. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2012 A Bonds	$3,014,455
Proceeds of the Series 2012 B Bonds	$1,367,839
Proceeds of Hancock County Grant	$230,000
Proceeds of DHHR Design Grant	$192,000
Issuer Contribution	$100,000
Total Sources	$4,904,294
USES	
Costs of Acquisition and Construction of the Project	$4,878,294
Costs of Issuance	$26,000
Total Uses	$4,904,294

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2012 Bonds Construction Trust Fund;

(4) Series 2012 A Bonds Sinking Fund; and

(5) Series 2012 A Bonds Reserve Account;

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

(1) Series 2012 A Bond proceeds in the amount of $-0- will be deposited in the Series 2012 A Bonds Sinking Fund to cover capitalized interest.

(2) The remaining proceeds of the Series 2012 A Bonds will be deposited in the Series 2012 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 2012 Bonds and related costs.

(3) All proceeds of the Series 2012 B Bonds will be deposited in the Series 2012 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 2012 Bonds and related costs.

12. Monies held in the Series 2012 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2012 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 2012 A Bonds Sinking Fund and Series 2012 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2012 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.

13. 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 16 months of the date hereof.

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

15. With the exception of the amount deposited in the Series 2012 A Bonds Reserve Account, if any, all of the proceeds of the Series 2012 Bonds will be expended on the Project within 22 months from the date of issuance thereof.

16. The Issuer does not expect to sell or otherwise dispose of the Project prior to the last maturity date of the Bonds.

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

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

19. 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.

20. The Issuer covenants that it shall maintain thorough and accurate accounting records, in conformance with generally accepted accounting principles, relative to the proceeds of Bonds so that use of proceeds from each series of the Bonds can be accounted for.

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

22. 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.

23. The Bonds are not federally guaranteed.

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

25. The Issuer has either (a) funded the Series 2012 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 2012 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2012 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2012 A Bonds Reserve Account, if any, and the Series 2012 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.

26. 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.

27. 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.

28. 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.

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

[Remainder of Page Intentionally Blank]

WITNESS my signature as of the date first written above.

OAKLAND PUBLIC SERVICE DISTRICT

Chairman

668010.00001

5733119

IN THE COUNTY COURT OF HANCOCK COUNTY, WEST VIRGINIA

BE IT REMEMBERED, that Heretofore, to-wit, at a regular meeting of said County Court, held at the Courthouse of said County, on the 2nd day of October, 1967, among others, the following proceedings were had, to-wit:

ORDER CREATING THE OAKLAND)
PUBLIC SERVICE DISTRICT,)
HANCOCK COUNTY, WEST VIRGINIA)

This 2nd day of October, 1967, pursuant to a legal notice published in the Hancock County Courier, a newspaper of general circulation in Hancock County, West Virginia, on the 14th day of September, 1967, that a hearing would be held regarding the creation of the Oakland Public Service District, the Hancock County Court considered the petition requesting the creation for water service of the Oakland Public Service District as shown on the map filed herewith and described as follows:

All that certain land situate in Clay and Butler Districts, Hancock County, West Virginia, and more particularly described as follows: Beginning at the point where the north line of King's Creek Road intersects with the east line of West Virginia State Route 2; thence along the east line of West Virginia State Route 2 in a northerly direction to the point where Ballantine Hill Road intersects with said highway; thence along the south side of Ballantine Hill Road in an easterly direction to and along Bell Hill Road and Chapman Road; thence in a southerly direction along Ross Road; thence in an easterly direction along Shreeves Road unto the Pennsylvania State Line; thence in a southerly direction along the Pennsylvania State Line to the point where said line intersects with King's Creek Road; thence along the north boundary of King's Creek Road to the place of beginning.

Several residents of the above area appeared and expressed their views regarding the petition, and there being no objection to the creation of a public service district for water service in said area, the Court is of the opinion that said action will be conducive to the preservation of public health, comfort, and convenience of such area and doth hereby order that and doth create the Oakland Public Service District for the purpose of water services in accordance with the boundaries described above.

ALL OF WHICH is ACCORDINGLY ADJUDGED and ORDERED.

ENTER

Hancock County Court

By _____
President

N O T I C E

TO ALL RESIDENTS in and near the areas of Hudson Hill, Sun Valley and Wylie Ridge (also known as Swearingen Hill) in Butler and Clay Districts, Hancock County, West Virginia:

On the 9th day of September, 1974, at 4:15 o'clock P.M., a hearing will be held before the County Court of Hancock County, West Virginia, for the purpose of amending the Order of said Court, entered the 2nd day of October, 1967, amending said Order to enlarge the purposes of the Oakland Publi Service District, to enable the latter district to collect, trea purify or dispose of liquid or solid wastes, sewage or industrial wastes, as contemplated by Chapter 16, Article 13A, Section 1 and 2, as amended, of the West Virginia Code. The territorial limits of the Oakland Public Service District are more particularly bounded and described as follows:

> All that certain land situate in Clay and Butler Districts, Hancock County, West Virginia, and more particularly described as follows: Beginning at the point where the north line of King's Creek Road intersects with the east line of West Virginia State Route 2; thence along the east line of West Virginia State Route 2 in a northerly direction to the point where Ballantine Hill Road intersects with said highway; thence along the south side of Ballantine Hill Road in an easterly direction to and along Bell Hill Road and Chapman Road; thence in a southerly direction along Ross Road; thence in an easterly direction along Shreeves Road unto the Pennsylvania State Line; thence in a southerly direction along the Pennsylvania State Line to the point where said line intersects with King's Creek Road; thence along the north boundary of King's Creek Road to the place of beginning.

At which time you may appear to be heard, for or against the enlargement of the purposes for said district.

Dated this 19th day of August, 1974.

HANCOCK COUNTY COURT

BY Joseph Mangano
President

PUBLISH AUGUST 23,1974
BILL: OAKLAND PUBLIC SERVICE DISTRICT

LEONARD J. TOST
Attorney at Law
3308 Main Street
Weirton, West Virginia 26062

Executed the within ~~summons and complaint~~ NOTICE within Hancock County, West Virginia, this 23rd day of August 1974 by delivering a true copy thereof in writing to the within named

By posting a copy of the same to the front door of ~~his usual place of abode~~ the Hancock County Courthouse.

in person

Frank A. Rocchio
Sheriff Hancock County

By T. Wandeck His Deputy

Executed the within ~~summons and complaint~~ notice within Hancock County, West Virginia, this 23rd day of August 1974 by delivering a true copy thereof in writing to the within named

By posting a copy of the same to the front door of ~~his usual place of abode.~~ the Dun Valley Grocery.

in person

Frank A. Rocchio
Sheriff Hancock County

By T. Wandeck His Deputy

SHERIFF'S RETURN PERSONAL

Executed the within ~~summons and complaint~~ notice within Hancock County, West Virginia, this 23rd day of August 1974 by delivering a true copy thereof in writing to the within named

By posting a copy of the same to the front door of ~~his usual place of abode.~~ the Oakland Vol. Fire Dept.

in person

Frank A. Rocchio
Sheriff Hancock County

By T. Wandeck Deputy

SHERIFF'S RETURN PERSONAL

Executed the within ~~summons and complaint~~ notice within Hancock County, West Virginia, this 23rd day of August 19..... by delivering a true copy thereof in writing to the within named

By posting a copy of the same to the front door of ~~his usual place of abode.~~ the Square dance and Western Shop

in person

Frank A. Rocchio
Sheriff Hancock County

By T. Wandeck Deputy

SHERIFF'S RETURN PERS

Executed the within ~~Sum~~ ~~plaint~~ within Hancock County, Virginia, this 23rd day of Au 19.74 by delivering a true copy t in writing to the within named

By posting a copy of the the front door of his usu ~~of abode.~~ Sutton's Oakland Service Station

in per

Frank A. Rocch
Sheriff Hancock County

By T. Wandeck Deputy

SHERIFF'S RETURN PERSONAL

Executed the within ~~summons and complaint~~ NOTICE within Hancock County, West Virginia, this 23RD day of AUGUST 1974 by delivering a true copy thereof in writing to the within named

By posting a copy of the same to the front door of his usual place of abode OAKLAND PRESBYTERIAN CHURCH.

in person

Frank A. Rocchio
Sheriff Hancock County

By C. Blount His Deputy

IN THE COUNTY COURT OF HANCOCK COUNTY, WEST VIRGINIA.

BE IT REMEMBERED, that Heretofore, to-wit, at a regular meeting of the County Court of Hancock County, West Virginia, held at the Court House of said County, on the 19th day c August, 1974, among others, the following proceedings were had, to-wit:

ORDER AMENDING THE ORDER OF THIS COURT) ENTERED THE 2nd DAY OF OCTOBER, 1967,) AMENDING THE ORDER OF OCTOBER 2, 1967,) TO ENLARGE THE PURPOSE OF THE OAKLAND) PUBLIC SERVICE DISTRICT TO ENABLE THE) LATTER DISTRICT TO COLLECT, TREAT,) PURIFY OR DISPOSE OF LIQUID OR SOLID) WASTES, SEWAGE OR INDUSTRIAL WASTES,) AS CONTEMPLATED BY CHAPTER 16, ARTICLE) 13A, SECTIONS 1 and 2, AS AMENDED, OF) THE WEST VIRGINIA CODE.)

On this 19th day of August, 1974, the County Court of Hancock County, West Virginia, upon its own motion by order duly adopted, proposes to amend its Order of October 2, 1967 (the Order of October 2, 1967, having provided for the creation of th Oakland Public Service District) amending said Order to enlarge the purposes of the Oakland Public Service District to enable th latter to collect, treat, purify or dispose of liquid or solid wastes, sewage or industrial wastes, as contemplated by Chapter 16, Article 13A, Sections 1 and 2, as amended, of the West Virginia Code. The territorial limits of the Oakland Public Servic District are more particularly bounded and described as follows:

> All that certain land situate in Clay and Butler Districts, Hancock County, West Virginia, and more particularly described as follows: Beginning at the point where the north line of King's Creek Road intersects with the east line of West Virginia State Route 2; thence along the east line of West Virginia State Route 2 in a northerly directio to the point where Ballantine Hill Road intersects with said highway; thence along the south side of Ballantine Hill Road in an easterly direction to and along Bell Hill Road and Chapman Road; thence in a southerly direction alon Ross Road; thence in an easterly direction along Shreeves Road unto the Pennsylvania State Line; thence in a southerly direction along the Pennsylvania State Line to the point where said line intersects with King's Creek Road; thence along the north boundary of King's Creek Road to the place of beginning.

IT IS, THEREFORE, ACCORDINGLY ADJUDGED and ORDERED that there shall be a hearing at the Hancock County Court House in New Cumberland, Hancock County, West Virginia, on the 9th day of September, 1974, at 4:15 o'clock P.M., in regard to the enlargement of the purposes of the said public service district, which hearing shall be no more than forty (40) days, nor less than twenty (20) days from the date of the entry of this Order, the date of the entry of this Order being the 19th day of August, 1974.

AND IT IS FURTHER ADJUDGED and ORDERED that the Clerk of the County Court of Hancock County, West Virginia, shall cause Notice of such hearing, and the time and place thereof, said Notice to set forth the purpose of said hearing, and shall contain a description of the Oakland Public Service District.

IT IS FURTHER ADJUDGED and ORDERED that said Notice be given by publication, at least once in a newspaper of general circulation, published in Hancock County, West Virginia, at least ten (10) days prior to the date of said hearing. It is further ADJUDGED and ORDERED that the costs of the publication of said Notice be paid by the Oakland Public Service District. It is further ADJUDGED and ORDERED that the Clerk of the County Court of Hancock County, West Virginia, post in at least five (5) conspicuous places within the territorial confines of the Oakland Public Service District, a Notice containing the same information as is contained in the published Notice. The posted Notices shall be posted not less than ten (10) days before said hearing.

All persons residing in and owning, or having any interest in property situate within the confines of said Oakland Public Service District, shall have an opportunity to be heard, for or against, the enlargement of the purposes of said District.

ALL OF WHICH IS ACCORDINGLY ADJUDGED and ORDERED.

ENTER THIS THE 19th DAY OF AUGUST, 1974.

HANCOCK COUNTY COURT

BY Joseph Mangpenny
President

LEONARD J. TOST
Attorney at Law
3308 Main Street
Weirton, West Virginia 26062

IN THE COUNTY COURT OF HANCOCK COUNTY, WEST VIRGINIA

BE IT REMEMBERED, that at a regular meeting of said County Court, held at the Court House of said County, on the 9th day of September, 1974, among others, the following proceedings were had, to-wit:

ORDER AMENDING THE ORDER OF THIS COURT) ENTERED THE 2nd DAY OF OCTOBER, 1967,) AMENDING THE ORDER OF OCTOBER, 1967,) TO ENLARGE THE PURPOSE OF THE OAKLAND) PUBLIC SERVICE DISTRICT TO ENABLE THE) LATTER DISTRICT TO COLLECT, TREAT,) PURIFY OR DISPOSE OF LIQUID OR SOLID) WASTES, SEWAGE OR INDUSTRIAL WASTES,) AS CONTEMPLATED BY CHAPTER 16, ARTICLE) 13A, SECTIONS 1 and 2, AS AMENDED, OF) THE WEST VIRGINIA CODE.)

On the 9th day of September, 1974, appeared Leonard J. Tost, counsel for the Oakland Public Service District, and tendered to said Court a certificate of publication executed on behalf of the publisher of the Weirton Daily Times, a newspaper of general circulation in Hancock County, West Virginia, wherein said publication notice was given of the time, date and place of this meeting; said notice having been published in the Weirton Daily Times the 23rd day of August, 1974; counsel did further tender for filing a duplicate original of said notice with six (6) separate returns of the Sheriff of Hancock County, West Virginia, endorsed thereon, evidencing the posting of said notice upon the front door of the Hancock County Court House as well as the posting of said notice at five (5) different conspicuous places situated within the territorial confines of the Oakland Public Service District, the posting by the Sheriff having been done the 23rd day of August, 1974, all of which was done pursuant to the Order and direction of this Court made and entered therein the 19th day of August, 1974.

THEREFORE, it is ADJUDGED and ORDERED that said certification of publication as well as the duplicate original of said notice with the returns of the Sheriff of Hancock County, West Virginia endorsed thereon, both of which set forth

the time, date and place of the meeting be and the same are, accordingly, filed.

ENTER this 9th day of September, 1974.

HANCOCK COUNTY COURT

BY Joseph Manypenny
JOSEPH MANYPENNY, PRESIDENT

LEONARD J. TOST
Attorney at Law
3308 Main Street
Weirton, West Virginia 26062

IN THE COUNTY COURT OF HANCOCK COUNTY, WEST VIRGINIA

BE IT REMEMBERED, that at a regular meeting of said County Court, held at the Court House of said County, on the 9th day of September, 1974, among others, the following proceedings were had, to-wit:

ORDER AMENDING THE ORDER OF THIS COURT) ENTERED THE 2nd DAY OF OCTOBER, 1967,) AMENDING THE ORDER OF OCTOBER 2, 1967,) TO ENLARGE THE PURPOSE OF THE OAKLAND) PUBLIC SERVICE DISTRICT TO ENABLE THE) LATTER DISTRICT TO COLLECT, TREAT,) PURIFY OR DISPOSE OF LIQUID OR SOLID) WASTES, SEWAGE OR INDUSTRIAL WASTES,) AS CONTEMPLATED BY CHAPTER 16, ARTICLE) 13A, SECTIONS 1 and 2, AS AMENDED, OF) THE WEST VIRGINIA CODE.)

On the 9th day of September, 1974, pursuant to a legal notice published in the Weirton Daily Times, on the 23rd day of August, 1974, and further pursuant to said notice being posted in at least five (5) conspicuous places within the territorial confines of the afterdescribed Oakland Public Service District, the Hancock County Court considered its own motion to enlarge the purposes of the Oakland Public Service District to enable the latter District to collect, treat, purify or dispose of liquid or solid wastes, sewage or industrial wastes, as contemplated by Chapter 16, Article 13A, Sections 1 and 2, as amended, of the West Virginia Code. The territorial limits of the Oakland Public Service District are more particularly bounded and described as follows:

> All that certain land situate in Clay and Butler Districts, Hancock County, West Virginia, and more particularly described as follows: Beginning at the point where the north line of King's Creek Road intersects with the east line of West Virginia State Route 2; thence along the east line of West Virginia State Route 2 in a northerly direction to the point where Ballantine Hill Road intersects with said highway; thence along the south side of Ballantine Hill Road in an easterly direction to and along Bell Hill Road and Chapman Road; thence in a southerly direction along Ross Road; thence in an easterly direction along Shreeves Road unto the Pennsylvania State Line; thence in a southerly direction along the Pennsylvania State Line to the point where said line intersects with King's Creek Road; thence along the north boundary of King's Creek Road to the place of beginning.

Thereupon, a Petition was presented to the Court by Mr. R. Anthony DiBacco, protesting the motion, which Petition th Court did accept, filing same without passing upon the validity, authenticity, or the genuiness of the signatures affixed thereon

Thereupon, being of the opinion that the enlargement of the purpose of the Oakland Public Service District enabling said District to collect, treat, purify or dispose of liquid or solid wastes, sewage or industrial wastes, will be conducive to the preservation of public health, comfort and convenience of such area, the Court does, accordingly, ADJUDGE and ORDER tha the purpose of the Oakland Public Service District, as set forth by Order of this Court bearing date the 2nd day of October, 1967, be, and the same is amended to enlarge the purposes of the Oakland Public Service District to include and permit collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes as contemplated by Chapter 16, Article 13A, Sections 1 and 2, as amended, of the West Virginia Code.

ENTER this 16th day of September, 1974.

HANCOCK COUNTY COURT

BY Joseph Manfreda
PRESIDENT

LEONARD J. TOST
Attorney at Law
3308 Main Street
Weirton, West Virginia 26062

IN THE COUNTY COMMISSION OF HANCOCK COUNTY, WEST VIRGINIA

ORDER TO ENLARGE THE AREA SERVICED BY THE)
OAKLAND PUBLIC SERVICE DISTRICT)
IN HANCOCK COUNTY, WEST VIRGINIA)

This 18th day of August, 1994, came the Oakland Public Service District Board members regard to the above and determined that the description of the Oakland Public Service District was incorrect, and the correct description of the proposed Oakland Public Service District is the following:

> All the certain land situate in Clay and Butler Districts, Hancock County, West Virginia, and more particularly described as follows: Beginning at the point where the north line of King's Creek Road intersects with the east line of West Virginia's State Route 2; thence along the east line of West Virginia State Route 2 in a northerly direction to the southern most extension of the New Cumberland, West Virginia, municipal water service, thence along the south eastern water service of the City of New Cumberland, West Virginia to a point where it intersects with Hardins Run Road unto the Pennsylvania State Line; thence in a southerly direction along the Pennsylvania State Line to the point where said line intersects with King's Creek Road; thence along the north boundary of King's Creek Road to the place of beginning.

IT IS, THEREFORE, ACCORDINGLY ADJUDGED and ORDERED that there shall be a new hearing at the Hancock County Courthouse in New Cumberland, Clay District, Hancock County, West Virginia, on the 15th day of September, 1994, at 2:30 o'clock p.m., on the enlargement of said Public Service District, which date is no more that forty (40) days nor less than twenty (20) days from the date of the entry of this Order.

AND IT IS FURTHER ADJUDGED and ORDERED that the Clerk of the County Commission of Hancock County, West Virginia, shall cause notice of such hearing and the time and place thereof, and setting forth a description of all the territory proposed to be included therein, and that said notice be given by publication at least once in a newspaper of general circulation published in Hancock County at least ten (10) days prior to said hearing, the costs of which said publication shall be paid by the County Commission out of contingent funds or any other funds available or made available for this purpose.

All persons residing in and owning or having any interest in property in said Oakland Public Service District as proposed to be created shall have an opportunity to be heard for or against its creation.

ALL of WHICH is ACCORDINGLY ADJUDGED and ORDERED.

ENTER

Hancock County Commission

By _____
President

N O T I C E

To all residents in and near the areas near Hudson Hill, Lyon Road, North Fork Road, Sun Valley, and Wylie Ridge (also known as Swearingen Hill.)

On Thursday, September 15, 1994, a hearing will be held at 2:30 o'clock p.m. before the Hancock County Commission on enlarging the area serviced by the Oakland Public Service District for water service, which district will be more particularly bounded and described as follows:

> All the certain land situate in Clay and Butler Districts, Hancock County, West Virginia, and more particularly described as follows: Beginning at the point where the north line of King's Creek Road intersects with the east line of West Virginia's State Route 2; thence along the east line of West Virginia State Route 2 in a northerly direction to the southern most extension of the New Cumberland, West Virginia, municipal water service, thence along the south eastern water service of the City of New Cumberland, West Virginia to a point where it intersects with Hardins Run Road; thence in an easterly direction along Hardins Run Road unto the Pennsylvania State Line; thence in a southerly direction along the Pennsylvania State Line to the point where said line intersects with King's Creek Road; thence along the north boundary of King's Creek Road to the place of beginning.

At which time you may appear to support or object to the creation of said Oakland Public Service District.

Hancock County Commission

By _____
President

Publish:

Hancock County Courier - September 8th

Weirton Daily Times - September 2, 9th

Bill: The Hancock County Commission

PLEASE SEND TEAR SHEET FOR PROMPT PAYMENT

IN THE COUNTY COMMISSION OF HANCOCK COUNTY, WEST VIRGINIA

BE IT REMEMBERED, *that heretofore, at a regular meeting of said County Commission of Hancock County, held at the Courthouse of said County, on the 15th day of September, 1994, among others, the following proceedings were had, to-wit:*

ORDER EXPANDING THE METES AND BOUNDS OF THE OAKLAND PUBLIC SERVICE DISTRICT, HANCOCK COUNTY, WEST VIRGINIA

This 15th day of September, 1994, pursuant to a legal notice published in the Hancock County Courier and the Weirton Daily Times, newspapers of general circulation in Hancock County, West Virginia, on the 2nd, 8th, and 9th of September, 1994, that a hearing would be held regarding the expansion of the metes and bounds of the Oakland Public Service District, the Hancock County Commission considered the petition requesting the expansion of said metes and bounds of the Oakland Public Service District described as follows:

> *All the certain land situated in Clay and Butler Districts, Hancock County, West Virginia, and more particularly described as follows: Beginning at the point where the north line of King's Creek Road intersects with the east line of West Virginia's State Route 2; thence along the east line of West Virginia State Route 2 in a northerly direction to the southern most extension of the New Cumberland, West Virginia, municipal water service, thence along the south eastern water service of the City of New Cumberland, West Virginia to a point where it intersects with Hardins Run Road; thence in a easterly direction along Hardins Run Road unto the Pennsylvania State Line; thence in a southerly direction along the Pennsylvania State Line to the point where said line intersects with King's Creek Road; thence along the north boundary of King's Creek Road to the place of beginning.*

One resident of the Hardins Run Area approached the Commission with concerns. The Commission tabled action till October 6, 1994 until the concerns of the resident could be addressed by the Oakland Public Service District Board.

BE IT RESOLVED, *that on the 6th day of October, 1994, it having been determined that the concerns of the resident had been based on confusion of another project of the*

Oakland Public Service District, the resident withdrew said objection to the expansion of the metes and bounds of the Oakland Public Service District.

BE IT ORDERED, that on the 6th day of October, 1994, the County Commission of Hancock County is of the opinion that said action will be conducive to the preservation of public health, comfort, and convenience of such area and dots hereby order that and dots expand the metes and bounds of the Oakland Public Service District for the purpose of water services in accordance with the boundaries as described above.

ALL OF WHICH IS ACCORDINGLY ADJUDGED AND ORDERED THIS THE 6TH DAY OF OCTOBER, 1994.

ENTER:

HANCOCK COUNTY COMMISSION

By _____
David O. Miller, President

February 16, 2012
Hancock County Commission

The Hancock County Commission met in session the 16th day of February, 2012, with President Jeff Davis presiding. The following persons were in attendance: Commissioner Mike Swartzmiller, Commissioner Dan Greathouse, County Clerk Eleanor Straight, Circuit Clerk Brenda Jackson, Sheriff Mike White, Assistant Prosecuting Attorney Bill Fahey, County Administrator Chuck Svokas, Tom Zielinsky, Administrative Assistant-Finance Cindy Jones.

CITIZENS PRESENTATION

There were none.

CORRESPONDENCE

Fred P. McDonald, Director of Lee Day Report Center – Seeking a Letter of Support for continued grant funding
On a motion by Commissioner Greathouse, the commission moved to approve

Karen Kahle, Steptoe & Johnson on behalf of Public Defender Corporation – Requesting a board appointment for a vacant seat of a non-attorney member
On a motion by Commissioner Greathouse to advertise the position on the County Website, the commission moved to approve

Danny Greathouse, Executive Director, Top of WV Convention & Visitors Bureau – Seeking sponsors to provide public events for the new Event Center in Weirton
On a motion by Commissioner Swartzmiller to approve platinum level sponsorship of $5,000 from hotel/motel tax, the commission moved to approve
Commissioner Greathouse recused himself from the vote.

Mark Holstine, Executive Director of WV Solid Waste Management Board – Requesting reappointment or appointment of an individual to represent Hancock County
On a motion by Commissioner Greathouse to re-appoint Mark Vignovic, the commission moved to approve

Central Blood Bank – Replenishment Blood Drive for Nathan Frederick Monday, February 27, 2012, noon to 6pm by appointment, Chester VFW, 417 Carolina Avenue, Chester, WV
On a motion by Commissioner Greathouse to make this a matter of record, the commission moved to approve

NEW BUSINESS

County Commission

Approval to advertise for grass cutting of the cemeteries
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of appointee to the Oakland Public Service District
On a motion by Commissioner Greathouse to approve George Rollage, the commission moved to approve

Requesting approval of an Animal Shelter Levy to be placed on the May 2012 ballot for a four year levy in the amount of $100,000 for each year
On a motion by Commissioner Greathouse to approve the levy as a new request and have President Davis sign the new order once the language is modified from a renewal to a new levy, the commission moved to approve

Change, Inc. – Requesting approval of a proclamation for "America Saves Week" February 19-26, 2012
On a motion by Commissioner Greathouse, the commission moved to approve

TABLED:

Approval of Petition seeking an Oder for the demolition of properties located at 409 Jefferson Street, Map G2R, Parcel #293, Newell, Hancock County, WV
On a motion by Commissioner Greathouse to bring this item from the table, the commission moved to approve

Requesting approval to purchase six narrow band TK-790 radios at a cost of $1,803.00 each for a total of $10,818.00 from our 2011-2012 special projects budget
Commissioner Greathouse stated that this request was not included in the 2011-2012 budget and that the commission would need to meet with Sheriff White to make adjustments to the budget.
On a motion by Commissioner Greathouse, the commission moved to approve

Office of Technology and Communications
Requesting approval of the replacement of the commission office copy machine allocated and approved in our special projects budget at price of $8,967.00
On a motion by Commissioner Greathouse, the commission moved to approve

Requesting approval of the resignation of part-time dispatcher Ms. Jessica Wright effective February 17, 2012
On a motion by Commissioner Greathouse, the commission moved to approve

Assessor
Requesting approval to hire Rick Anderson as full-time Field Deputy at annual salary of $19,116.00
On a motion by Commissioner Greathouse, the commission moved to approve

Office of Emergency Management
Requesting adoption of a resolution for formal approval of Hazards Mitigation Plan for FEMA
On a motion by Commissioner Greathouse, the commission moved to approve

MISCELLANEOUS

Approval of Exoneration Orders
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of General County Bills
On a motion by Commissioner Greathouse, the commission approved County Bills and Requisitions in the amount of $67,367.99. The P-Card amount was $100,975.14.

Approval of Oakland PSD Bills
There were none.

Approval of Fire Allocation Bills and Requisitions
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of Library Levy Fund Bills and Requisitions
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of Animal Shelter Levy Fund Bills and Requisitions
There were none.

Approval of Sheltered Workshop Levy Fund Bills and Requisitions
There were none.

Approval of minutes for January 2012
On a motion by Commissioner Greathouse, the commission moved to approve

Assistant Prosecuting Attorney Fahey presented a deed to the Hancock County Commission for 27.5 acres.

Commissioner Greathouse asked for citizen's support for the Animal Shelter.

On a motion by Commissioner Greathouse to adjourn until March 1, 2012, the commission moved to approve

It is hereby ORDERED and DECREED that the above be and are hereby declared to be the legal transactions of the Hancock County Commission this the 16th day of February 2012.

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK:

I, Eleanor Straight, Clerk of the County Commission of Hancock County, having the custody of the files, journals and records of said Commission, do hereby certify that the foregoing is a true and accurate copy of Hancock County Commission Meeting on February 16, 2012. The same appears of record in my office, in County Commission Meeting Book No. 31 Page 79 and I further certify that the same is a full and correct transcript thereof.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Commission at New Cumberland, Hancock County, West Virginia, this 24th day of April, 2012.

Eleanor Straight

Clerk of the County Commission
Hancock County, WV

RECEIVED
JUL 13 2011

July 7, 2011
Hancock County Commission

The Hancock County Commission met in session the 7th day of July, 2011, with President Jeff Davis presiding. The following persons were in attendance: Commissioner Mike Swartzmiller, Commissioner Dan Greathouse, County Clerk Eleanor Straight, Assistant Prosecuting Attorney Bill Fahey, Circuit Clerk Brenda Jackson, Assessor Joe Alongi, Sheriff Mike White, Tom Zielinsky and Administrative Assistant of Finance Cindy Jones.

CITIZENS PRESENTATION

There were none.

CORRESPONDENCE

J. Norbert Federspiel, Director, Criminal Justice Services – Notice of grant award ceremony Tuesday, July 12, 2011 for Juvenile Accountability Block Grant and 2 Justice Assistance Grants
On a motion by Commissioner Greathouse to make this a matter of record, the commission moved to approve

Andy McKenzie, Mayor, City of Wheeling – Requesting letters be sent to Governor, Senate President and House Speaker expressing opposition to proposed Congressional Redistricting
On a motion by Commissioner Greathouse to make this a matter of record, the commission moved to approve

Dave Cline, Citizen – Request for West Virginia Attorney General Opinion on Animal Shelter funding.
On a motion by Commissioner Greathouse to make this a matter of record, the commission moved to approve

NEW BUSINESS

County Commission

Approval of WV State Auditor services provided to Hancock County Commission for fiscal years ended June 30, 2009 and June 30, 2010
On a motion by Commissioner Greathouse to make this a matter of record, the commission moved to approve

County Clerk

Mileage reimbursement rate for 07/01/11 thru 12/31/11 has been approved by the IRS for 55.5 cents per mile (It previously was 51 cents per mile)
On a motion by Commissioner Greathouse to make this a matter of record, the commission moved to approve

Sheriff's Office

Approval of tuition reimbursement at the cost of $672.00 for two classes
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of retirement of Laverne Wolfe
On a motion by Commissioner Greathouse, the commission moved to approve

TABLED ITEMS

Charles Huff, Grant Public District – Requests re-appointments of Jeffrey B. Oyster as board member for the position of Chairman for the term September 1, 2010 thru September 1, 2017 and Charles E. Huff as Secretary for the term of January 2011 thru January 2017
On a motion by Commissioner Swartzmiller to bring this item from the table, the commission moved to approve
On a motion by Commissioner Greathouse to approve Jeffrey B. Oyster, the commission moved to approve
On a motion by Commissioner Swartzmiller to approve Charles E. Huff, the commission moved to approve

Anita Mahan, Oakland Public Service District – Requests re-appointment of Cindy Jones to the board for a 6-year term
On a motion by Commissioner Greathouse bring this item from the table, the commission moved to approve
On a motion by Commissioner Greathouse to approve Cindy Jones, the commission moved to approve

PROBATE FOR JUNE 2011

06/06/11 Estate Donald D. Raynolds, Barbara E. Raynolds, Adm., Bond: $50,000, No Surety Required
06/06/11 Will Frederick M. Swartzmiller, Shane Michael Rito, Ex. NBR
06/06/11 Will Vernard Walter Stewart, Terry l. Stewart, Ex. Bond: $10,000, No Surety Required
06/08/11 Estate Danny J. Davis, Sr., Amand S. Sponaugle, Adm. Bond: $5,000, Mitchell C. Nixon, Surety
06/08/11 Will Dorothy M. Higenbothum, Roseanna Finney, Ex. NBR
06/10/11 Estate James P. Diantonio, Anna Diantonio, Adm. Bond: $17,500, No Surety Required
06/10/11 Will Lillian Kamarados, John S. Kamarados, Ex. NBR
06/10/11 Will Babette L. Fineman aka Babette Carolyn Fineman, Alvin I. Fineman, Ex. NBR
06/13/11 Will Emma Belle Wright Congo, Marion F. Congo, Ex. NBR
06/14/11 Will Robert Dean Golden, Mary Ellen Golden, Ex. NBR
06/14/11 Will Anthony J. Figlioli, Rita M. Christ, Ex. NBR
06/15/11 Will Frances Hughes Sharp, Kathleen Ann Boggs, Ex. NBR
06/17/11 Will Stanley J. Harber, Jr., Pamela J. Harber, Ex. Bond: $20,000, No Surety Required
06/22/11 Will Albert Presley, Paulette A. Godla, Ex. NBR
06/23/11 Will Lawrence E. Holt, David L. Holt, Adm. Bond: $10,000, Western Surety Co.
06/23/11 Will Martha L. Holt, David L. Holt, Adm. Bond: $10,000, Western Surety Co.
06/23/11 Will Stanley C. Krynicki, Carolyn A. Krynicki, Ex. NBR
06/24/11 Will Herman Wickham, Sarah E. Wickham, Ex. NBR
06/27/11 Will Domenic Chiodi, Rosa Chiodi, Ex. NBR
06/30/11 Will Dorothy P. Mrenak, Richard F. Mrenak, Ex. NBR

ESTATES – July 7, 2011

Estate of Charles Linn Troop, Danny Kaser, Executor, Commissioner's Report of Claims of Creditors and Final Settlement, Notice of Service of Notice of Administration, First and Final Report, Commission Order

Estate of Charles H. Davis, Michelle L. Hunsicker and Adrienne C. Sims, Executrices, Commissioner's Report of Claims of Creditors and Final Settlement, Notice of Service of Notice of Administration, Waiver of Final Settlement, Commission Order

Estate of Rosilee L. Ash aka Rosalee L. Ash, Irene Javens and JoAnn Stine, Personal Representative, Notice of Service of Notice of Administration, Limited Power of Attorney, Waiver of Final Settlement

Estate of Shirley A. Fletcher, April Manypenny-Raines, Administratrix, Notice of Service of Notice of Administration, Excess Balance of Receipts Distribution

Estate of Regina Garner, Rebecca Foster, Executrix, Notice of Service of Notice of Administration, First and Final Report

Estate of Tamara L. Randolph, Franklin P. Randolph III, Executor, Notice of Services of Notice of Administration, Waiver of Final Settlement

Estate of Mike Simakis, Donald Lloyd Simakis, Executor, Notice of Services of Notice of Administration, Waiver of Final Settlement

Estate of Mary E. Veselich, Dorothy J. Herkle, Personal Representative, Notice of Services of Notice of Administration, Waiver of Final Settlement

Estate of George J. Askler, Georgette Siniach, Personal Representative, Notice of Services of Notice of Administration, Waiver of Final Settlement, Unadministered Estate

Estate of Sophie Josephine Boyd aka Sophia Josephine Boyd, Kenneth Orlando, Personal Representative, Notice of Services of Notice of Administration, Waiver of Final Settlement, Unadministered Estate

Estate of James L. Spencer, Anna Mae Spencer, Personal Representative, Notice of Services of Notice of Administration, Affidavit of Unadministered Estate, Waiver of Final Settlement, Unadministered Estate

Estate of Robert A. Sutton, Jr., Vincent S. Gurrera, Fiduciary Commissioner, Fiduciary Commissioner's Dismissal, Certificate of Service, Notice of Service of Notice of Administration, Waiver of Final

Approval of Oakland PSD Bills
On a motion by Commissioner Greathouse, the commission approved Oakland PSD Bills and Requisitions in the amount of $6,797.66

Approval of Fire Allocation Bills and Requisitions
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of Library Levy Fund Bills and Requisitions
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of Animal Shelter Levy Fund Bills and Requisitions
There were none.

Approval of Sheltered Workshop Levy Fund Bills and Requisitions
On a motion by Commissioner Greathouse, the commission moved to approve

Sheriff White asked the Commission if it would be possible to have the Post Office deliver our mail. The Commission asked Tom Zielinsky to prepare a letter to send to the Postmaster.

On a motion by Commissioner Greathouse to adjourn until July 21, 2011 at 2:30 p.m., the commission moved to approve

It is hereby ORDERED and DECREED that the above be and are hereby declared to be the legal transactions of the Hancock County Commission this the 7th day of July, 2011.

Jeffrey D. Davis, President

Eleanor Straight, County Clerk

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK:

I, Eleanor Straight, Clerk of the County Commission of Hancock County, having the custody of the files, journals and records of said Commission, do hereby certify that the foregoing is a true and accurate copy of Hancock County Commission Meeting on July 7, 2011. The same appears of record in my office, in County Commission Meeting Book No. 31 Page 36 and I further certify that the same is a full and correct transcript thereof.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Commission at New Cumberland, Hancock County, West Virginia, this 31st day of January, 2012.

Eleanor Straight

Clerk of the County Commission
Hancock County, WV

Approval of contract for fiscal year 2011, $15,000 Grant awarded to stock trout at Tomlinson Run State Park.
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of hiring of summer help
Nicole Allison, Kiley King, Dante Greco, Zackary Mazezka, Matthew Valenti, and Martin Mazezka
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of Oakland PSD board appointment
On a motion by Commissioner Greathouse to approve the board's recommendation of Larry Manypenny, the commission moved to approve

Sheriff's Office
Approval of purchase of ammunition and weapon equipment out of the SRT special projects budget
On a motion by Commissioner Greathouse, the commission moved to approve

Extension Office
Requesting approval of hiring of Rebecca Wiegers as Office Assistant
On a motion by Commissioner Greathouse, the commission moved to approve

MISCELLANEOUS

Approval of Exoneration Orders
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of General County Bills
On a motion by Commissioner Greathouse, the commission approved County Bills and Requisitions in the amount of $114,037.67

Approval of Oakland PSD Bills
On a motion by Commissioner Greathouse, the commission approved Oakland PSD Bills and Requisitions in the amount of $59,148.24

Approval of Fire Allocation Bills and Requisitions
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of Library Levy Fund Bills and Requisitions
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of Animal Shelter Levy Fund Bills and Requisitions
There were none.

Approval of Sheltered Workshop Levy Fund Bills and Requisitions
On a motion by Commissioner Greathouse, the commission moved to approve

Approval of minutes for March 2011
On a motion by Commissioner Greathouse, the commission moved to approve

Chief Deputy Todd Murray said the Sheriff's Office has been participating in the Target Red Program. It's a program focused on enforcing stop signs and red lights.

County Clerk Eleanor Straight reminded citizens that Early Voting begins Friday, April 29, 2011. The last day of early voting is May 11, 2011. Citizens can vote at the courthouse Monday through Friday 8:30 a.m. to 4:30 p.m. and Saturday, April 30 and May 7 from 9:00 a.m. until 5:00 p.m.

Commissioner Dan Greathouse said a ribbon cutting ceremony was held today for the Weirton Steel Memorial.

On a motion by Commissioner Greathouse to adjourn until May 5, 2011 at 2:30 p.m., the commission moved to approve

It is hereby ORDERED and DECREED that the above be and are hereby declared to be the legal transactions of the

OATH OF OFFICE

State of West Virginia, Hancock County, to-wit:

I, George Rollage do solemnly swear that I will support the Constitution of the United States, and of this State; and I further swear that I will faithfully discharge the duties of my office Oakland PSD

Beginning on the 6th day of February XX 2012, and ending on the 30th day of June XX 2014, to the best of my skill and judgment, so help me God.

x George Rollage

Sworn to and subscribed before the undersigned Eleanor Straight in and for the County of Hancock, State of West Virginia, by the said George Rollage this 21st day of February A. D., 19XX 2012

Eleanor Straight

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK:

I, Eleanor Straight, Clerk of the County Commission of Hancock County, having the custody of the files, journals and records of said Commission, do hereby certify that the foregoing is a true and accurate copy of an Oath of Office for the Oakland Public Service District for George Rollage. The same appears of record in my office, in Bond and Oath Record No. J, Page 176 and I further certify that the same is a full and correct transcript thereof.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Commission at New Cumberland, Hancock County, West Virginia, this 24th day of April, 2012.

Eleanor Straight

Clerk of the County Commission
Hancock County, WV

OATH OF OFFICE

State of West Virginia, Hancock County, to-wit:

I, Cindy Jones do solemnly swear that I will support the Constitution of the United States, and of this State; and I further swear that I will faithfully discharge the duties of my office Oakland PSD

Beginning on the 1st day of September 2010, and ending on the 1st day of September 2016, to the best of my skill and judgment, so help me God.

/s/ Cindy Jones

Sworn to and subscribed before the undersigned Eleanor Straight in and for the County of Hancock, State of West Virginia, by the said

this 7th day of July A. D., 2011

Eleanor Straight

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK:

I, Eleanor Straight, Clerk of the County Commission of Hancock County, having the custody of the files, journals and records of said Commission, do hereby certify that the foregoing is a true and accurate copy of an Oath of Office for the Oakland Public Service District for Cindy Jones. The same appears of record in my office, in Bond and Oath Record No. J, Page 171 and I further certify that the same is a full and correct transcript thereof.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Commission at New Cumberland, Hancock County, West Virginia, this 24th day of April, 2012.

Eleanor Straight

Clerk of the County Commission
Hancock County, WV

OATH OF OFFICE

State of West Virginia, Hancock County, to-wit:

I, Lawrence L. Manypenny do solemnly swear that I will suppor the Constitution of the United States, and of this State; and I further swear that I will faith fully discharge the duties of my office Oakland PSD

Beginning on the 28th day of April XX 2011, and ending on the 20th day of September XX 2012, to the best of my skill and judgment, so help me God.

x _____

Sworn to and subscribed before the undersigned Eleanor Straight in and for the County of Hancock, State of West Virginia, by the said Lawrence L. Manypenny this 29th day of April A. D., XX 2011

_____

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK:

I, Eleanor Straight, Clerk of the County Commission of Hancock County, having the custody of the files, journals and records of said Commission, do hereby certify that the foregoing is a true and accurate copy of an Oath of Office for the Oakland Public Service District for Lawrence L. Manypenny. The same appears of record in my office, in Bond and Oath Record No. J, Page 166 and I further certify that the same is a full and correct transcript thereof.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Commission at New Cumberland, Hancock County, West Virginia, this 24th day of April, 2012.

Eleanor Straight

Clerk of the County Commission
Hancock County, WV

RULES OF PROCEDURE

OAKLAND PUBLIC SERVICE DISTRICT

ARTICLE I

Name and Place of Business

Section 1. Name: OAKLAND PUBLIC SERVICE DISTRICT

Section 2. The principal office of this Public Service District will be located at R.D. 1, Box 166R, Weirton, WV 26062

Section 3. The Common Seal of the District shall consist of two concentric circles between which circles shall be inscribed Oakland Public Service District, and in the center "seal" as follows:

Section 4. The Fiscal Year of the District shall begin the 1st day of July in 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.

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 Hancock County, who shall serve for such terms as may be specified in the order of the County Commission.

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 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 of the pending termination and request the County Commission 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 3rd Wednesday of each month at such place and hour as the members shall determine from time to time. If the day stated shall follow a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the board.

Section 2. At any meeting of the Public Service Board of the District, two 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. No notice shall be required for regular meetings. Notice in writing of each special meeting of the membership shall be given to all members by the Secretary by mailing the same to the last known post office addresses of the members at least three (3) days before the date fixed for such 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. However, if all the members are present, they may hold a special meeting at any time and at any place without notice and may consider any business that comes before them. Notice of any special meeting may be waived in writing by all of the members.

ARTICLE V

Officers

Section 1. The Officers of the Public Service Board shall be a Chairman, Secretary and 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 the month of January of 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 as hereinabove provided.

ARTICLES VI

Duties of Officers

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. He shall, together with the Secretary, sign the minutes of all meetings at which he shall preside. He

shall attend generally to the executive business of the Board and exercise such powers as may be conferred upon him by the Board, by these bylaws, or prescribed by law. He 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. If the Chairman is absent from any meeting, the remaining members of the Board shall select a temporary Chairman.

Section 3. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. He shall, together with the Chairman, sign the minutes of the meetings at which he is present, The Secretary shall have charge of the minute book, be the custodian of deeds and other writings and papers of the Board. He shall also perform such other duties as he may have under law by virtue of his office or as may be conferred upon him from time to time by the members of the Board.

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out 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.

ARTICLE VII

Amendments to Rules of Procedure

These Rules of Procedures may be altered, changed, amended 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 or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

CERTIFICATION

I, Ed Flowers, Secretary of the Public Service Board of the Oakland Public Service District, hereby certify that the foregoing is a true and correct copy of the Rules of Procedure of said Public Service Board. I further certify that such Rules of Procedure remain in full force and effect and have not been amended or repealed.

WITNESS my signature on this June 28 day of June, 1995

Ed Flowers

Secretary

FAXED 12/15/11

MICHAEL W. LUCAS III

ATTORNEY AT LAW

449 CAROLINA AVE.
P.O. BOX 246
CHESTER, WV 26034

412-335-1734
lucas440@comcast.net

(licensed in WV and PA)

December 15, 2011

RECEIVED
11 DEC 21 AM 8:50
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Sandra Squire, Director
Office of the Executive Secretary
Public Service Commission of West Virginia
201 Brooks Street
Post Office Box 8 12
Charleston, West Virginia 25323

Re: Oakland Public Service District - Water Rate Increase
Case No. ll-0904-PWD-42A
Case No. 11-1506-PWD-CN

Dear Ms Squire:

Please find enclosed originals and Twelve (12) copies of: the Affidavits of publication concerning Tariff form 8-A and the district's press release in this matter, and an Affidavit signed by Cindy Jones, chairperson for the Oakland Public Service District, which verifies when mailings of notice of the proposed rate increases were mailed to our customers and when the same notice was posted in the district's office.

You will note that the filings herein apply to both of the district's rate increase cases as stated above. If you require additional information, please do not hesitate to contact me.

Sincerely,

Michael W. Lucas III, Esq.
Counsel for Oakland PSD

Enclosures

STATE OF WEST VIRGINIA
COUNTY OF HANCOCK

I, **LISA L. BOYER**, bookkeeper for the publisher of **THE WEIRTON DAILY TIMES** a newspaper in the City of Weirton, State of West Virginia, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

Dates: 11-11 , 18, 2011

Given under my hand this 8th day of November 2011

Lisa L Boyer

//

Sworn to and subscribed before me on this 2nd day of December, 2011 of, in and for HANCOCK COUNTY, WEST VIRGINIA

AMOUNT: $576.56
ACCT. # L00323

NOTARY

NOTARIAL SEAL STATE OF OHIO

PATRICIA J. SCHEEL
NOTARY PUBLIC
STATE OF OHIO
MY COMMISSION EXPIRES 03/06/2013

Patricia J. Scheel

Tariff Form No. 8-A
(Tariff Rule No. 19)

PUBLIC NOTICE OF CHANGE IN RATES UPON APPLICATION
WITHOUT PROPOSED EFFECTIVE DATES

NOTICE is hereby given that Oakland Public Service District, a public utility, has filed with the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, a tariff containing increased rates, tolls and charges for furnishing water service to 847 customers in Weirton, New Cumberland, Wylie Ridge, Northfolk and Golden Keys areas in the County of Hancock.

The proposed increased rates and charges will produce approximately $86,535 annually in additional revenue, an increase of 31%. The average monthly bill for the various classes of customers will be changed as follows:

	PROPOSED RATES	PRESENT RATES	(9) INCREASE	(%) INCREASE
Residential				
2,000 gallons (Minimum Bill)	$ 19.80	$ 15.16	$ 4.64	30.61%
3,000 gallons	$ 29.70	$ 22.74	$ 6.96	30.61%
3,615 gallons (Class Average)	$ 35.79	$ 27.40	$ 8.39	30.61%
4,000 gallons	$ 39.60	$ 30.32	$ 9.28	30.61%
4,500 gallons	$ 44.55	$ 34.11	$ 10.44	30.61%
10,000 gallons	$ 99.00	$ 75.80	$ 23.20	30.61%
34,300 gallons (Highest)	$ 339.57	$ 259.99	$ 79.58	30.61%
Commercial				
2,000 gallons (Minimum Bill)	$ 19.80	$ 15.16	$ 4.64	30.61%
3,000 gallons	$ 29.70	$ 22.74	$ 6.96	30.61%
3,615 gallons (Class Average)	$ 35.79	$ 27.40	$ 8.39	30.61%
4,000 gallons	$ 39.60	$ 30.32	$ 9.28	30.61%
4,500 gallons	$ 44.55	$ 34.11	$ 10.44	30.61%
10,000 gallons	$ 99.00	$ 75.80	$ 23.20	30.61%
73,200 gallons (Highest)	$ 744.48	$ 570.02	$ 174.46	30.61%
Industrial	n/a			
Other	n/a			

Oakland Public Service District has no resale customers.

The increases are based on averages of all customers in the indicated class. Each class may receive an increase or decrease that is greater or less than stated here. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. Any increase in rates and charges will not become effective until authorized and approved by the Public Service Commission. (If a hearing is scheduled, notice will be given of the time and place of hearing.)

Anyone desiring to protest or intervene should file a written protest or petition to intervene prior to thirty (30) days from the date of this publication, unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your rights to protest any rate increases and to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervene. Requests to intervene must comply with the Commission's rules on intervention. All protests and interventions should be addressed to The Executive Secretary, Public Service Commission of West Virginia, Post Office Box 812, Charleston, West Virginia 25323, with a copy to Oakland Public Service District, 768 Carothers Road, Weirton, WV 26062.

A complete copy of this tariff, as well as a representative of the Company to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at any of the following offices of:

Oakland Public Service District, 768 Carothers Road, Weirton, WV 26062

A copy of this tariff is also available for public inspection at the office of the Executive Secretary of the PUBLIC SERVICE COMMISSION, at 201 Brooks Street, Charleston, West Virginia.

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 21th day of October 2011.

CASE NO. 11-1506-PWD-CN
OAKLAND PUBLIC SERVICE DISTRICT

Application for a Certificate of Convenience and Necessity to construct improvements to the District's water treatment facility, and waterline extensions to 86 new customers along Chapman Road, Tope Road, Gibson Road, Lowes Drive, Kit Drive, Daniel Drive, and Cameron Hollow Road.

AMENDED NOTICE OF FILING

On October 13, 2011, the Oakland Public Service District (District) application, duly verified, for a Certificate to construct certain additions and improvements to the District's water system in Hancock County. This project consists of the construction of new water treatment faciilities and appurtenances for the removal of iron and manganese at District's existing PSD water treatment plant, the installation of 31,985 linear feet of 8- and 6-inch waterlines, fire hydrants and appurtenances to serve 86 new customers, the erection of a new 375,000 gallon standpipe and the rehabilitation and resurfacing of the existing 100,000 gallon Golden Keys elevated water tank and the 200,000 gallon Wylie Ridge standpipe.

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 $4,336,455.00. It is proposed that the construction will be financed as follows:

Hancock County Commission Grant	$ 230,000.00
Oakland PSD Aid to Construction	$ 100,000.00
DWTRF Loan (30 yr, 1% admin fee)	$ 3,014,455.00
DWTRF (Principal Forgiveness)	$ 800,000.00

The utility additionally charging the following water rates for its customers:

RATES:

First 2,000 gallons used per month — $13.25 per 1,000 gallons
Over 2,000 gallons used per month — $13.25 per 1,000 gallons

MINIMUM MONTHLY BILL for $26.50 per month, which is the equivalent of 2,000 gallons

		Equivalent gallons
5/8 inch meter	$ 26.50	2,000
3/4 inch meter	$ 39.75	3,000
1 inch meter	$ 66.25	5,000
1¼ inch meter	$132.50	10,000
2 inch meter	$212.00	16,000
3 inch meter	$397.50	30,000

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days of the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

CONNECTION CHARGE

Prior to Construction - $250.00
After construction passes the premises to be served, charge for connection to the system - $350.00

These rates represent the following project-related increases to become effective upon substantial completion of the project unless otherwise ordered:

	($) Increase	(%) Increase
Residential	$13.40	33.8%

The proposed increase rates and charges related to the project will produce approximately $565,850.00, an increase of 33.8%. The total increase granted will not exceed this estimate unless further notice is provided.

Oakland Public Service District has no resale customers.

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 request to intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or request to intervene. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and request to intervene should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, WV 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.

PRESS RELEASE

TO THE CUSTOMERS OF THE OAKLAND PUBLIC SERVICE DISTRICT

The Oakland Public Service District (hereinafter, "District") is in the process of improving and expanding its water treatment, delivery, and storage systems. Major features of the project include: Improvements to the treatment process to remove iron and manganese that causes discolored water; increased storage of fire protection, and looping the system to minimize service disruptions due to waterline breaks. This project will improve water quality as well as the overall delivery of water to the District's customers. As stated, the project will also increase the District's service area bring in new customers. The additional revenue from the increased customer base will allow the District to properly maintain the improvements that are being added to its system.

To implement the project and improve its overall system, the District will need to increase the rates and charges currently in place. To that end, the District has filed with the Public Service Commission of the West Virginia, a tariff containing increased rates, tolls and charges for furnishing water services. The proposed increased rates and charges will produce approximately $84,546.00 annually in additional revenues, an increase of 31%.

Upon completion of the project and new customers added, the District will again need to adjust its rates to ensure that it is collecting the appropriate amount of revenue for proper maintenance and upkeep of its water systems pursuant to requirements of the Public Service Commission of West Virginia. Thus, the District has filed a tariff containing increased rates, tolls and charges for furnishing water service which will produce approximately $174,021.00 annually in additional revenue, an increase of 23.8%.

In both cases, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. Any increase in rates and charges will not become effective until authorized and approved by the Public Service Commission. Protests and/or motions to intervene may be filed (if a hearing is scheduled, notice will be given of the time and place of hearing.)

A copy of the tariff form which shows the rate increase in dollars and percentage will be mailed to customers. The form is also available at the District office located at 768 Carothers Road, Weirton, WV 26062. Notice will also be made by legal publication in the Weirton Daily Times.

OAKLAND PUBLIC SERVICE DISTRICT
BOARD MEETING MINUTES
DATE: Wednesday, April 25, 2012
5:00 p.m.

The meeting was called to order at 5:00 p.m.

STAFF/CONSULTANTS

Cindy Jones, Chairman
Larry Manypenny, Secretary
George Rollage, Treasurer
Greg Scott, Buchart Horn, Inc.
Anita Mahan, Office Manager
Tom Ferrell, Operator
Pat Jones, Chief Water Operator

PUBLIC IN ATTENDANCE:
John Herbert

I. REPORTS

1.) Barb Zimnox, BHJ – ***Report given by Anita***

a.) Vouchers

- #125 Steptoe & Johnson $25,000.00
- #126 Huntington Bank $1,000.00
- #127 J.F. Allen $83,558.00

b.) Draw Request ***$109,558.00***

Draw as noted $49,362.00 DWTRF Loan and $34,196.00 DWTRF (Forgivable).

Larry made a motion to accept the vouchers and draw as submitted, seconded by George. All in favor.

Larry made a motion to accept the Schedule B with the following changes:
Move $20,000 from the Administration line item and $10,000 from the Special Services Engineering line item to the legal line item, seconded by George. All in favor.

Larry asked Anita to have Barb give him a call to discuss the Schedule B.

2.) Bob Zulick or Greg Scott, Buchart Horn

Greg reports the following:

- ***loan closing is scheduled for May 24, 2012.***
- ***At the May 16th meeting we will execute the documents for the contractors.***
- ***Noted submittal the Schedule B to Katy Mallory and she will send to us for signature.***
- ***Working with Barb on the WV Dept. of Highways Bond***
- ***During the pre-construction meeting would be the time to revisit the waterline extension service connections - maybe hold a public meeting to see if anymore come in to sign up.***
- ***June 5th will be the pre-construction meeting***
- ***First team meeting for the Asset Management Plan is April 25, 2012 at 2PM***
- ***Ground Breaking possibly last week of June***
- ***Talked with Matt Hammer from Chesapeake advised him earliest they could get water from OPSD will be August 2012.***

Larry asked Greg about the Line item called Special Service and what does it represent? Greg advised that is was added to cover costs outside of the scope of the pilot study at the water treatment plant. Greg will provide those documents to the board for consideration. Larry noted that if the amounts transferred into the Legal Line item was not used then it would be moved back into the original line items.

Cindy asked if June 7th would be ok with everyone to have a presentation for the Hancock County Commission?

3.) Mike Lucas, Esq. – ***Report given by Anita***

Cross-Connection policy. My recommendation is to approve the form with all of Dan Parker's changes. I also suggest the following be stated on the record: "The approval to the change of the Definition of 'Backflow Prevention Assembly' on page 1 under 'Definitions' is approved but is subject to further review by Attorney Lucas."

Larry made a motion to approve the Cross Connection/Backflow Prevention Policy per Mike's notes, seconded by George. All in favor.

Remaining documents to be formally approved. Tom and Pat and have reviewed as well. Also, the DHHR approved the versions submitted to them which are based on their templates. I see no problem with approving these all at once.

a. Confined Space Entry Permit
b. Modified Confined Space Plan
c. Hazard Communication Program
d. Drug Awareness form
e. Health and Safety Plan
f. Fire Protection Rating System
g. Hot Work Permit
h. Pre-job safety checklist
i. Report of Accident Investigation
j. Report of Near-Miss Investigation
k. Safe Work permit
l. Vehicle Checklist

Larry made a motion to approve the documents submitted by Mike Lucas, seconded by George. All in favor.

Mike noted that he should have the job descriptions done soon but he would prefer everyone review theses before he submits to the DHHR.

II. PUBLIC REQUESTS

a.) **Public Comments:** ***NONE***

b.) **Security Deposit Refunds:**

1.) R. Beckey – moved – per policy
2.) L. Robertson– moved – per policy

The board noted deposits for the record.

c.) **Leak Adjustments:**

1.) M. Hollaway – underground line break
2.) D. White – underground line break (?)
3.) B. McMillan – underground line break

Anita advised that the only customer that had a leak and is repaired to date is Hollaway the other (2) have not been repaired to yet. Anita will follow up with the customers about the leaks.
Larry made a motion to approve an adjustment for Hollaway per policy, seconded by George. All in favor. The other (2) adjustments once repaired will be approved as per policy.

III. APPROVAL OF MINUTES

Special Meeting 03/07/12
Special Meeting 03/15/12
Regular Monthly Meeting 03/21/12
Special Meeting 03/27/12
Reconvene Special Meeting 03/27/12 on 04/03/12

Larry made a motion to approve the previous months minutes, seconded by George. All in favor.

IV. CORRESPONDENCE

- WV PSC Pipeline – 1st Quarter
- Weirton Water Board letter – Payment Plan for leak
- Perry & Assoc. – Draft Audit
- Wesbanco (BrickStreet) – Renewal worker's comp.
- WV DHHR BPH OEHS – Revised DWTRF Binding Commitment ltr
- WV Water Development Authority – WDA E-News
- WV Rural Water – Quarterly Managers Workshop – *Anita will be attending for Hancock*
- WV IJDC – Project funding letter
- Copy OPSD ltr – WV PSC – tariff

The board noted correspondence for the record, except the Weirton Water payment plan letter and Draft Audit. Anita advised that she paid $1,000 this month towards the overage and will pay $1,000 each month until paid in full. Larry advised Anita to send Weirton a letter to confirm our payment commitment.
Larry made a motion to approve the draft annual audit, seconded by George. All in favor.

V. PAYABLES

Larry made a motion to approve the payables, seconded by George. All in favor.

VI. SYSTEMS OPERATIONS

A. Plant Report – ***Pat reports the following:***

- *Plant running pretty good water ---usage has been up a bit*
- *Solenoid for the CL2 tank may need to be changed out ($70.00)*
- *Gravel put down at the plant around the area dug up for repair*

B. Distribution – ***Tom reports the following:***

- *Still getting quotes for lead and copper sampling*
- *Chesapeake came and did the (3rd) sampling*
- *Meter heads that National Road has in inventory Tom has ordered (4)*

Larry authorized Tom to order and to be installed (5) radio read heads a month.

- *Tom discussed having Jay Kinsey work during the project if needed with Justin-Anita suggested that if we need Jay on a part-time basis during the project then we need to consider putting him on payroll.*
- *We have a weed eater that will cost more to repair than it is worth, Tom is looking for a replacement*
- *Tom discussed possibility of purchasing a small piece of equipment (riding mower /backhoe)- Anita asked Barb if when the project is done and any contingency left how hard would it be to get approval from the DHHR to purchase this type of equipment. Barb is to look into this and advise us at the next meeting.*
- *Tom had someone give us a riding mower (Power King) free but needs some repair (around $250.00)*

Larry authorized Tom to get the mower repaired to be used by the PSD.

- *Tom advised that he is using his vehicle for PSD use when the part-time guys are working to go in two directions*

Cindy advised that we would pay Tom the current mileage and to keep track on the miles.

- *Sample painting by Leo Hill was done on both tanks-seems to be hard as a rock*

Anita advised Tom that she needs those surveys completed and given to her to forward to Christopher Thomas then we need to send letters out. Tom advised (2) customers need an inspection the rest are good. Pat advised that a letter will need sent must be signed by the Chief Operator and the board if it needs done.

C. Office Report – ***Anita reports the following:***

- Delinquents: *366*
- 24 Hour Notices: *48*
- Shut Offs: *2*

Anita reminded the board of the Source Water Protection Grant and that we would qualify for this regarding our Abandon Well. Anita suggested that we have Barb from BHJ apply for the grant for Oakland. Cindy asked Anita to work with Barb on submitting this for Oakland.

VII. **OLD BUSINESS**

1.) Well #5 offer – ***tabled until next meeting***

VIII. **NEW BUSINESS**

1.) Re-organize the board – ***Larry made a motion that Cindy re-nominated Chairman, Larry as Secretary and George as Treasurer, seconded by George. All in favor.***

2.) Property at 2653 Wylie Ridge Rd. – ***Anita discussed with the board that the owner may be interested in selling this property, which adjoins the PSD property.***

IX. **NEXT MEETING** – ***May 16, 2012***

X. **ADJOURNMENT**

Larry made a motion to adjourn, seconded by George. All in favor.

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION, SUPPLEMENTAL RESOLUTION AND SWEEP RESOLUTION

The undersigned SECRETARY of Oakland Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service District:

*** *** ***

Oakland Public Service District met in special session, pursuant to notice duly posted, on the 16th day of May, 2012, in Weirton, West Virginia, at the hour of 5:00 p.m.

PRESENT: Cindy Jones
Larry Manypenny
George Rollage
Anita Mahan, Manager
Mike Lucas
John Stump

Cindy Jones, Chairman, presided. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

The Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF OAKLAND PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST,

NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,014,455 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), AND NOT MORE THAN $1,367,839 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE 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 Larry Manypenny and seconded by George Rollage, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM) AND WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM) OF OAKLAND PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING AND APPROVING 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 Larry Manypenny and seconded by George Rollage, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed 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 Larry Manypenny and seconded by George Rollage, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

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

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Oakland 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 24th day of May, 2012.

Secretary

04.19.12
668010.00001

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 24-May-12

ISSUE: Oakland Public Service District
Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program)

ADDRESS: 768 Carothers Road, Weirton, West Virginia 26062 COUNTY: Hancock

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 24-May-12
CLOSING DATE: 24-May-12
ISSUE AMOUNT: $3,014,455
RATE: 0%; 1.0% admin fee
1ST DEBT SERVICE DUE: 1-Jun-14
1ST PRINCIPAL DUE 1-Jun-14
1ST DEBT SERVICE AMOUNT $25,121
PAYING AGENT: Municipal Bond Commission

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

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

CLOSING BANK:
Bank: United Bank
Contact:
Phone: 304.723.2000

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Anita Mahan
Position: Chairperson
Phone: 304.797.8353

OTHER:
Agency: West Virginia DWTRF Program
Contact: Robert DeCrease
Position: Manager
Phone: 304.558.2981

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

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

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

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

NOTES: The Series 2012 A Bonds will be funded over 10 years.

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

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 24-May-12

ISSUE: Oakland Public Service District
Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program)

ADDRESS: 768 Carothers Road, Weirton, West Virginia 26062 COUNTY: Hancock

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 24-May-12 CLOSING DATE: 24-May-12

ISSUE AMOUNT: $1,367,839 RATE:

1ST DEBT SERVICE DUE: 100% forgivable 1ST PRINCIPAL DUE 100% forgivable

1ST DEBT SERVICE AMOUNT 100% forgivable PAYING AGENT: none

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

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

CLOSING BANK:
Bank: United Bank
Contact:
Phone: 304.723.2000

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Anita Mahan
Position: Chairperson
Phone: 304.797.8353

OTHER:
Agency: West Virginia DWTRF Program
Contact: Robert DeCrease
Position: Manager
Phone: 304.558.2981

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

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

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

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

NOTES: The Series 2012 B Bonds are forgivable. No accounts will be set up at the MBC.

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

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

United Bank, Inc., Weirton, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution of Oakland Public Service District (the "Issuer"), adopted May 16, 2012, and a Supplemental Resolution of the Issuer adopted May 16, 2012 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated May 24, 2012, in the principal amount of $3,014,455 and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), dated May 24, 2012, in the principal amount of $1,367,839 (collectively, the "Bonds") and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 24th day of May, 2012.

UNITED BANK, INC.

By: _____
Its: Authorized Officer

04.18.12
668010.00001

5733094

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR OF SERIES 2012 BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Oakland Public Service District Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), in the principal amount of $3,014,455 and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), in the principal amount of $1,367,839, both dated May 24, 2012 (collectively, "the Bonds") and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 24th day of May, 2012.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.18.12
668010.00001

5733092

Oakland Public Service District
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Resolution and Registrar's Agreement providing for the above-captioned Bonds of Oakland Public Service District (the "Issuer"), hereby certifies that on the date hereof (i) the single, fully registered Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) of the Issuer, dated May 24, 2012, in the principal amount of $3,014,455, numbered AR-1, and (ii) the single, fully registered Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) of the Issuer, dated May 24, 2012, in the principal amount of $1,367,839, numbered BR-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 24th day of May, 2012.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.19.12
668010.00001

5733120

OAKLAND PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program) and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of May 24, 2012, by and between OAKLAND PUBLIC SERVICE DISTRICT, a public service district and public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $3,014,455 Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program); and its $1,367,839 Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), both dated May 24, 2012 in fully registered form (collectively, the "Bonds"), pursuant to a Bond Resolution of the Issuer duly adopted May 16, 2012, and a Supplemental Resolution of the Issuer duly adopted May 16, 2012 (collectively, the "Bond Legislation");

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

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

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States

Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

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

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

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

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

ISSUER: Oakland Public Service District
768 Carothers Road
RD 1, Box 166R
Weirton, West Virginia 26062
Attention: Chairman

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

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

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.

OAKLAND PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.18.12
668010.00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

Huntington

Huntington Wealth Advisors
900 Lee Street 2nd Floor | WE3013 | Charleston, West Virginia 25301

STATEMENT OF REGISTRAR'S FEES
Invoice Date May 24, 2012

Oakland Public Service District
Account Number 6089001809

Oakland Public Service District
Water Revenue Bonds, Series 2012 A
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR May, 2012

****

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.

Huntington

Huntington Wealth Advisors
900 Lee Street 2nd Floor | WE3013 | Charleston, West Virginia 25301

STATEMENT OF REGISTRAR'S FEES
Invoice Date May 24, 2012

Oakland Public Service District
Account Number 6089001809

Oakland Public Service District
Water Revenue Bonds, Series 2012 B
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR May, 2012

****

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.

PWSID #: WV3301517

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313 CHARLESTON, WV 25301-3713

Telephone (304) 558-2981

PERMIT

(Water)

PROJECT: Water System Improvements **PERMIT NO.**: 18,902

LOCATION: near Weirton **COUNTY**: Hancock **DATE**: 10-11-2011

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

Oakland Public Service District
768 Carothers Road
Weirton, WV 26062

is hereby granted approval to: install approximately 4,899 LF of 6" and 27,086 LF of 8" water line; install one (1) 375,000 gallon water storage tank (Chapman Road); rehabilitate and repaint existing Golden Keys elevated water storage tank and Wylie Ridge water storage tank; and all necessary valves, controls and appurtenances. The existing water treatment plant will be improved with major work consisting of 1) a new filter treatment building with an Omni-SORP iron and/or manganese removal system consisting of three (3) 5 feet diameter filter vessels with Omni-SORB filtration media, two (2) 6,250 gallon backwash/rinse holding tanks, and 20 GPM backwash pump; 2) chemical feed equipment for sodium hypochlorite and fluoride; 3) replacing the pumps in Well Nos. 1, 2, 3 and 5; 4) adding a new emergency generator; 4) and all necessary valves, piping, controls and appurtenances. The existing clearwell and high service pumps will be used.

Facilities are to serve the Oakland Public Service District.

Note: This permit is contingent upon: 1) All new water line and storage tanks being disinfected, flushed and bacteriologically tested, prior to use; and 2) Enclosing the new water storage tank with a minimum six (6) feet high fence with a locking gate.

The Environmental Engineering Division of the **OEHS-Wheeling District Office, (304) 238-1145,** is to be notified when construction begins.

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

FOR THE DIRECTOR

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

WSH:plk

pc: Buchart Horn, Inc.
Ingrid Ferrell, PSC-Eng. Div.
Amy Swann, PSC
Hancock County Health Department
OEHS-EED Wheeling District Office

RECEIVED
OCT 14 ECD
BUCHART HORN, INC.

Grant Period 5/1/09
& Q Reports Aug, Nov, Feb, May

COPY

WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
GRANT AGREEMENT

[X] 1. Federal Sub-recipient Grant Agreement (128)

[ ] 2. Other Grant Agreement

3. Agreement Number: G 090931

4. WVFIMS Encumbrance Number: C.315603

5. Grantee FEIN #	6. WVFIMS Vendor #	7. Date Prepared
550531996	486215	March 11, 2009

8. Grantee Name and Address

Oakland PSD
768 Carothers Rd
Weirton, WV 26062

9. Spending Unit Name and Address

Office of Environmental Health Services
Capitol and Washington Streets
1 Davis Square, Suite 200
Charleston, WV 25301

10. Grantee Remittance Name and Address

Same

11. Spending Unit Contact Person Name and Telephone Number

Program Contact: Walter Ivey 558-6715
Fiscal Contact: Becky Surface 558-7071

12. Auditor's Information:

Fund	FY	State Level Org	Act	State Level Obj	Amount
5201	2009	0506	099	128	32,000.00
5201	2010	0506	099	128	160,000.00
				Total:	$192,000.00

13. Start Date: May 1, 2009

14. End Date: April 30, 2010

15. Description of Program:

Improve the quality of water provided to existing customers and serve approximately 115 new customers with public water service.

16. Spending Unit

WVFIMS Coding Fund	FY	Extended Org	Act	Extended Obj	Grant	Project	Amount
5201	2009	3044	099	128	15384		32,000.00
5201	2010	3044	099	128	15384		160,000.00
					Total:		$192,000.00

17. Review and Approval Recommended:

GAAR:	Initials	Date	Grants:	Initials	Date
	MR	4/2/09		JE	3/20/09

GRANT AGREEMENT
BETWEEN
THE WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Bureau For Public Health
Office of Environmental Health Services
and

Oakland PSD

This Grant Agreement is between the West Virginia Department of Health and Human Resources, Bureau For Public Health, Office of Environmental Health Services hereafter "Department" and "Oakland PSD", hereafter "Grantee". The Grant Agreement is for the provision of improving the quality of water provided to existing customers and serve approximately 115 new customers with public water service as further described in Exhibit A.

WHEREAS, the Department has identified a public need;

WHEREAS, the Department has selected the Grantee to implement activities and services as described herein to accomplish a public purpose of support or stimulation authorized by Federal/State statutes and regulations;

WHEREAS, the Department will provide funds as available for these activities and services;

NOW, THEREFORE the parties mutually agree as follows:

I. PROGRAM SERVICES TO BE PROVIDED

1.01 **Scope:**

The Grantee agrees to provide the services and activities under the terms and conditions in the approved Statement of Work attached as **Exhibit A.**

II. GRANT AGREEMENT TERM

2.01 **Term:**

This Grant Agreement shall be effective for the period commencing on 5/1/2009 and ending on 4/30/2010. The Department shall have no obligation for payment of services rendered by the Grantee which are not performed within this specified period.

III. FUNDING

3.01 **Source of Funds:**

3.01(a) The Source of Funds Schedule, attached as **Exhibit B**, identifies the source of funds to be used as payment for the term of this Grant Agreement.
3.01(b) Federal funds are identified by the applicable Catalog of Federal Domestic Assistance (CFDA) numbers and the appropriated federal revenue fund account number(s).

3.01(c) State funds are identified by the specific appropriated general revenue fund and/or appropriated/non-appropriated special revenue fund account number(s).

3.02 **Condition for Receipt of State Funds:**

State funds provided by the Department to the Grantee under this Grant Agreement may not be used by the Grantee as a match or cost-sharing provision to secure other federal monies without prior written approval by the Department.

3.03 **Maximum Amount Available:**

The Department agrees to pay the Grantee a sum not to exceed one hundred ninety-two thousand, $192,000.00, dollars for the term of this Grant Agreement. The amount of this Grant Agreement can only change by written agreement which is signed by the parties.

3.04 **Subject to Funds Availability:**

3.04(a) This Grant Agreement is subject to the appropriation and availability of State and/or Federal funds. If the funds are not appropriated as anticipated, or they are otherwise unavailable, the Department reserves the right to reduce or terminate this Grant Agreement upon written notice to the Grantee.

3.04(b) Such reduction or termination shall not be deemed a breach of Grant Agreement by the Department.

3.04(c) Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Agreement.

3.04(d) If termination occurs, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date, provided funds are available.

3.04(e) Upon such termination, the Grantee shall have no right to recover from the Department any actual, general, special, incidental, consequential, or any other damages of any description or amount.

3.05 Program Income:

3.05(a) **OMB Circular A-102** and **OMB Circular A-110** outline specific guidance for the tracking and disposition of any program income generated as a result of funds received under this Grant Agreement.

3.05(b) Grantee agrees to comply with all applicable regulations regarding program income.

IV. AUTHORIZING STATUTES AND REGULATIONS

4.01 Grantee Uniform Administrative Regulations:

For each kind of grantee organization, there is a set of Federal uniform administrative regulations. The following chart lists the kinds of organizations and the applicable uniform administrative regulations for each listed type of grantee.

If the Grantee is a:	OMB Circulars Codified at:
State, local or Indian tribal government use the uniform administrative requirements in **OMB Circular A-102.**	Department of Health and Human Services (DHS) codified at **45 C.F.R. § 92** and **45 C.F.R. § 95;** Department of Agriculture (USDA) codified at **7 C.F.R. § 3016;** Department of Education (EDUC) codified at **34 C.F.R. § 80;** Environmental Protection Agency (EPA) codified at **40 C.F.R. § 31.**
Private nonprofit organization, institutions of higher education, or a hospital use the uniform administrative requirements in **OMB Circular A-110.**	DHS codified at **45 C.F.R. § 74;** USDA codified at **7 C.F.R. § 3019;** EDUC codified at **34 C.F.R. § 74;** EPA codified at **40 C.F.R. § 30.**
For-profit organization use the uniform administrative requirements in **OMB Circular A-110.**	DHS codified at **45 C.F.R. § 74** USDA codified at **7 C.F.R. § 3019;** EDUC codified at **34 C.F.R. § 74;** EPA codified at **40 C.F.R. § 30.**

4.02 **Statutes and Program Regulations:**

For each federal grant program there are applicable federal statutes and/or codified federal program regulations. Also included are any applicable West Virginia Code citations, administrative rules, and Department policies. A listing of the above information and possible sources for obtaining the information is attached as **Exhibit C.** This information is to be used by the Grantee to determine the manner in which the work is performed under this Grant Agreement.

4.03 Grantee Responsibility:

The Grantee is responsible for obtaining the above information. The listing is not to be deemed inclusive, but informative of relevant statutes and regulations.

V. PAYMENT TERMS AND CONDITIONS

5.01 Payment Methodology:
The payment methodology guidance and address for invoice submission, attached as Exhibit D, shall constitute the manner whereby payments are made by the Department to the Grantee.

5.02 Budget:

The Grant Agreement Budget, attached as **Exhibit E,** shall constitute the maximum amount available to the Grantee for work performed under this Grant Agreement.

5.03 Payment of an Invoice:

The payment of an invoice by the Department shall not prejudice the Department's right to object to or question any invoice or matter relating to this Grant Agreement. Such payment by the Department shall not be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced.

5.04 Unallowable Costs:

The Grantee's invoice shall be subject to reduction for amounts included in any invoice or prior payment made which are determined by the Department not to constitute allowable costs on the basis of audits, reviews, or monitoring of this Grant Agreement.

5.05 Deductions & Withholdings:

5.05(a) The Department may deduct amounts or withhold payments invoiced by the Grantee under this or any other Grant Agreement between the Grantee and the Department or its operating units if the Grantee fails to comply with any requirements of this Grant Agreement or any other Grant Agreements between the Grantee and the Department or its Bureaus, Offices, Divisions, or other operating units.

5.05(b) Funds withheld due to unsatisfactory program performance or failure to comply with the terms and conditions of this Grant Agreement or any other Grant Agreement between the Department or its other operating units may be restored upon satisfactory completion of the condition that caused the withholding.

VI. STANDARDS FOR FINANCIAL MANAGEMENT

6.01 Financial Management System:

6.01(a) The Grantee will maintain an accounting system and a set of accounting records that, at a minimum, allows for the identification of the source of revenue and expenditures related to this Grant Agreement.

6.01(b) All records will be supported by source documentation.

6.01(c) The Grantee's financial and accounting records pertaining to this agreement must be closed out at the end of the Grant Agreement period and must identify any excess revenue over expenditures.

6.02 Cost Principles:

For each kind of grantee organization, there is a set of Federal cost principles for determining allowable costs. Allowable costs are determined in accordance with the cost principles applicable to the organization incurring the costs. The following chart lists the kinds of organizations and the applicable cost principles. The Grantee agrees to comply with the applicable cost principles as set forth below.

If the Grantee is a:	OMB Circulars Codified at:
State, local or Indian tribal government use the cost principles in **OMB Circular A-87**.	DHS codified at **45 C.F.R. § 92** and **45 C.F.R. § 95** USDA codified at **7 C.F.R. § 3016**; EDUC codified at **34 C.F.R. § 80**; EPA codified at **40 C.F.R. § 31.**
Private nonprofit organization other than an (1) institution of higher education, (2) hospital, or (3) organization named in **OMB Circular A-122** as not subject to that circular use the cost principles in **OMB Circular A-122.**	DHS codified at **45 C.F.R. § 74**; USDA codified at **7 C.F.R. § 3019**; EDUC codified at **34 C.F.R. § 74**; EPA codified at **40 C.F.R. § 30.**
Educational Institution use the cost principles in **OMB Circular A-21.**	DHS codified at **45 C.F.R. § 74**; USDA codified at **7 C.F.R. § 3019**; EDUC codified at **34 C.F.R. § 74**; EPA codified at **40 C.F.R. § 30.**
Hospital use the cost principles in **Appendix E of 45 C.F.R. § 74.**	DHS codified at **45 C.F.R. § 74**; USDA codified at **7 C.F.R. § 3019**; EDUC codified at **34 C.F.R. § 74**; EPA codified at **40 C.F.R. § 30.**
For-profit organization other than a hospital and an organization named in **OMB Circular A-122** as not subject to that circular use the cost principles in **48 C.F.R. pt. 31** Contract Cost Principles and Procedures.	DHS codified at **45 C.F.R. § 74**; USDA codified at **7 C.F.R. § 3019**; EDUC codified at **34 C.F.R. § 74**; EPA codified at **40 C.F.R. § 30.**

6.03 Indirect Costs and Allocation of Costs:

6.03(a) If the Grantee charges indirect (overhead) cost to this Grant Agreement, an "Indirect Cost Proposal" must be prepared in accordance with the applicable cost principles referenced in this Grant Agreement.

6.03(b) The Grantee must comply with one of the three following criteria for payment of indirect costs by the Department.

6.03(b)(1) "Indirect Cost Negotiation Agreement" from the cognizant federal agency if the Grantee is a direct recipient of Federal grants;

6.03(b)(2) An approved "Indirect Cost Negotiation Agreement" from another state or local government agency that has agreed to review and approve the Grantee's indirect cost proposal; or

6.03(b)(3) A written statement from an independent certified public accounting firm attesting that the proposal complies with the requirements of **OMB Circular A-122, OMB Circular A-21** or **OMB Circular A-87** and provides the basis of the calculated rate.

VII. AUDITS AND MONITORING

7.01 Audit Requirements:

The Grantee agrees that it has reviewed, understands and will comply with the Federal Audit (OMB Circular A-133) Requirements, State Accountability (WV Code §12-4-14) Requirements, and Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) requirements referenced within **Exhibit F** of this grant agreement.

7.02 Monitoring:

7.02(a) The Department has a responsibility to monitor the activities of its grantees as necessary to provide reasonable assurance that the Grantee uses these grant funds for intended and authorized purposes; complies with laws, regulations and the provisions of contracts or grant agreements; and achieves performance goals.

7.02(b) Monitoring is the process by which the programmatic and administrative management performance of a grant is continuously reviewed by the awarding agency. Factors that may affect the nature, timing and extent of monitoring activities of the Department include, but are not limited to, the complexities of the program's compliance requirements, the amount (dollar value) of awards, and the Grantee's overall level of risk. There are several types of monitoring activities that may be performed by the Department in relation to this grant including the review of audits, financial and performance reports; the performance of onsite monitoring visits; observing operations; reviewing financial and programmatic records; regular contact; other inquiries concerning program and financial activities; etc.

7.02(c) The Grantee shall fully cooperate and assist the Department or its authorized representative(s) with respect to the monitoring responsibilities and activities referenced

herein, or with respect to any and all other monitoring activities deemed necessary and appropriate by the Department at its sole discretion. Notwithstanding the administrative and reporting requirements presently cited within this agreement, the Grantee shall allow for the performance of onsite monitoring reviews by the Department or its authorized representative(s), and agrees to provide any technical assistance, reports, records, documentation and to comply with all requests for information as deemed necessary and appropriate by the Department, at its sole discretion, to fulfill its monitoring responsibilities and objectives. The Department or its authorized representative(s) shall be given full and complete access to all information and personnel related to the performance of this grant agreement to ensure that program activities and costs are consistent with goals and objectives of the grant.

7.02(d) If as a result of its monitoring efforts the Department uncovers deficiencies in the Grantee's administration of this grant or related project/program, the Department shall notify the Grantee in writing of said deficiencies. The Grantee agrees to take immediate and timely corrective action as determined by the Department in an attempt to rectify any identified and reported deficiencies and to resolve the matter to the overall satisfaction and sole discretion of the Department.

7.03 **Failure to Comply:**

Failure to comply with any of the requirements within this [Audits and Monitoring] Section or failure to respond in a timely manner to the Department's request for reports, records, documentation or other information related to monitoring may result in disallowed costs, suspension or termination of funding for this and other grants and contracts with the Department

VIII. REPORTS AND RECORDS

8.01 **Required Reports:**

A listing of all reports and reporting requirements is attached as **Exhibit G.** The Grantee certifies it is familiar with and agrees to comply with these requirements.

8.02 **Record Retention:**

8.02(a) Grantee shall retain all financial records, supporting documents, statistical records, and all other records pertinent to this Grant Agreement for a period of three years from the date of submission of the final expenditure report or payment of final invoice.

8.02(b) If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

8.02(c) Records for equipment acquired with Federal funds shall be retained for three years after final disposition.

8.03 **Access to Records:**

8.03(a) The Department and its Inspector General, Federal awarding agency and its Inspector General, Comptroller General of the United States, State Auditors, program monitors, or any duly authorized representatives have the right of timely and unrestricted access to any books, documents, papers, or other records of the Grantee, in order to make audits, examinations, excerpts, transcripts and copies of such documents.

8.03(b) This right also includes timely and reasonable access to the Grantee's past and present personnel for the purpose of interviewing and discussing matters related to such documents.

8.03(c) The rights of access are not limited to the required retention period, but shall last as long as records are retained.

8.03(d) Grantee waives any confidentiality, privacy privilege, or proprietary defenses regarding audits or monitoring.

IX. STANDARD TERMS AND CONDITIONS

9.01 **Required Approvals:**

The Department is not bound by this Grant Agreement until it is approved and signed by the appropriate Department and/or State officials in accordance with applicable West Virginia State laws and regulations.

9.02 **Modifications:**

9.02(a) Formal Grant Agreement modifications and change orders will be negotiated by the Department and the Grantee to address changes including, but not limited to, the terms and conditions, costs, or scope of work included under this Grant Agreement.

9.02(b) As soon as possible after receipt of a written change request, but in no event more than thirty (30) days, the Grantee shall provide the Department a written statement verifying the change has no price impact on the Grant Agreement. If there is a price change, Grantee shall provide a description of the price increase or decrease involved in implementing the change.

9.02(c) The Department agrees to provide a modification, if approved, within thirty (30) days of receipt of Grantee's written statement.

9.02(d) No changes in scope to the project are authorized or are to be implemented by Grantee until a written change order is received and approved in writing by the Department and other applicable agencies.

9.03 **Termination:**

9.03(a) Any change in Federal and/or State law which significantly alters Grantee's required activity, or any change in the availability of funds shall be viewed as binding and shall warrant good faith renegotiation of the provisions of the Grant Agreement that are

affected. This change in circumstance includes suspension, termination, or reduction by the federal grantor agency of the grant to the Department under which this Grant Agreement is made. If such renegotiation proves unsuccessful within ten (10) days, the Grant Agreement may be terminated upon written notice of either party to the other party at least thirty (30) days before termination.

9.03(b) This Grant Agreement may be cancelled by either party at any time with or without cause, upon thirty (30) days notice in writing, and delivered by mail or in person.

9.03(c) Upon default, as defined below, the Department shall give Grantee twenty (20) days written Notice of Default and Right to Cure. If the default has not been cured within such twenty day period, then this Grant Agreement shall terminate automatically upon its own terms without further notice or demand. Default shall include Grantee's:

9.03(c)(1) Failure to fulfill for any reason in a timely and proper manner its obligations under this Grant Agreement in the Department's sole determination;

9.03(c)(2) Failure for any reason to comply with such additional conditions as may be lawfully applied by the federal grantor agency to the Grantee and Department;

9.03(c)(3) Failure to demonstrate compliance with any corrective action plans approved by the Department.

The Department expressly reserves all remedies at law and equity, including without limitation, the right to seek all appropriate relief upon the filing of a voluntary or involuntary petition for Grantee's reorganization or liquidation under any bankruptcy or insolvency laws providing for the relief for debtors.

9.03(d) In the event of any termination, all property and finished or unfinished documents, data, and studies prepared by Grantee under this Grant Agreement shall be disposed of according to directive of the federal awarding agency and the Department, and Grantee may be entitled to compensation for any nonreimbursed expenses reasonable and necessary incurred in satisfactory performance of the Grant Agreement.

9.03(e) Notwithstanding the above, Grantee shall not be relieved of the liability to the Department for any damages sustained by the Department by virtue of any breach of the Grant Agreement by Grantee. The Department within its sole discretion may withhold payments due the Grantee under this Grant Agreement, or withhold payments due under any other grant agreement between the Grantee and Department or its operating units as payment for damages. The Department within its sole discretion may use the withheld amounts as security to cover unliquidated damages sustained by the Department as reasonably estimated by the Department until such time as the exact amount of damages due the Department from the Grantee is agreed upon or otherwise determined.

9.03(f) The Department shall provide Grantee with notice, in writing, of conditions endangering performance. If after such notice Grantee fails to remedy the conditions contained in the notice within the time period contained in the notice, the Department shall issue an order to stop all work immediately. The Department shall be obligated only for services rendered and accepted before the date of the notice of termination.

9.04 **Assignment:**

Grantee shall not modify, convey, sell, transfer, assign, delegate, or otherwise dispose of the Grant Agreement or any portion thereof or of any right, title or interest therein without the prior written consent of the Department. This provision includes potential assignment of the Grant Agreement due to change in ownership of the firm.

9.05 **Subgranting:**

The Grantee shall not enter into a subgrant agreement for any of the work performed under this Grant Agreement without obtaining the prior written approval of the Department. If subgrant agreements are approved by the Department, they shall contain, at a minimum, sections of this Grant Agreement pertaining to Indemnity Conflicts of Interest, Lobbying, Nondiscrimination, Audit Requirements, Public Notice and any other State and/or Federal requirements.

9.06 **Completeness:**

9.06(a) This Grant Agreement is complete and contains the entire understanding between the parties relating to this Grant Agreement.

9.06(b) This Grant Agreement supersedes all prior understandings, representations, negotiations, and agreements between the parties written or oral.

9.06(c) If there is a conflict between any of the terms of this Grant Agreement as specified in Sections I through XVI and **Exhibit A**, the terms of Section I through XVI shall govern.

9.07 **Severability:**

If any terms and conditions of this Grant Agreement are held to be invalid or unenforceable as a matter of law, the other terms and conditions shall not be affected and shall remain in effect. To this end, the terms and conditions of this Grant Agreement are declared severable.

9.08 **Ownership of Information, Software and Data:**

9.08(a) Within the scope of confidentiality provision in this Grant Agreement and governing laws, the Department and Grantee shall share joint ownership of all information and data developed, derived, documented or furnished by Grantee and/or the Department under this Grant Agreement.

9.08(b) Within the scope of confidentiality provision in this Grant Agreement and governing laws, the Department and Grantee shall both have unlimited, non-exclusive rights to use, disclose, duplicate or publish for any purpose whatsoever, the results of activities under this Grant Agreement.

9.08(c) All software must include application programs in the most current version, systems instructions, all data files in the current versions, user and operational manuals and other documentation, system and program documentation describing the most current version, network configuration and control documentation, training programs and material

in the operational plans and products developed, and all specialized or specially modified operation system software and specially developed programs, including utilities, software and documentation which are required for or used in the operation of any software developed and/or purchased.

9.08(d) All computer equipment and software that interfaces with the Department's equipment and software shall meet or exceed Department standards.

9.09 **Licensure and Registrations:**

The Grantee certifies that it is registered and licensed to do business in the State of West Virginia. The Grantee and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

9.10 **Department Right of Approval:**

The Department shall have the right in its sole discretion to refuse to permit any employee of the Grantee, or employee of an approved agent, assignee, or subcontractor of the Grantee, to be located at a Department work location, or to provide services to the Department or its clientele pursuant to this Grant Agreement.

X. COMMUNICATIONS AND CONTACTS:

10.01 **Contacts:**
A list identifying contact persons for each party is attached as **Exhibit H.**

10.02 **Notices:**

Any notice, request, demand, communication required under this Grant Agreement shall be in writing and shall be deemed sufficiently given upon delivery, if delivered by hand (signed receipt obtained), or three (3) days after posting if properly addressed and sent certified mail return receipt requested. These notices shall become effective on the date of receipt or the date specified within the notice, whichever comes later.

10.03 **Party Changes:**

Each party shall provide a written notice of changes in contact persons, address, telephone, fax numbers, and email addresses.

XI. PROCUREMENT STANDARDS

11.01 **Procurement Standards:**

11.01(a) Standards for procurement are outlined in **OMB Circular A-102** and **OMB Circular A-110** as codified in the Grantee Uniform Administrative Regulations Section of this Grant Agreement.

11.01(b) These provisions define the standards for use in establishing procedures for procurement of supplies, equipment, and other services which cost is borne in whole or in part as a condition of this Grant Agreement.

11.01(c)These standards include but are not limited to the following:

11.01(c)(1) Grantee may use its own procurement policies provided that they adhere to the applicable standards;

11.01(c)(2) Grantee shall maintain a written code of conduct which shall govern the performance of its officers, employees, or agents in contracting with or expending grant funds; and

11.01(c)(3) All procurement transactions shall be conducted in a manner so as to provide for maximum open and free competition.

11.02 **Title to Equipment and Supplies:**

11.02(a) Grantee shall assume responsibility for the care and maintenance of all equipment pursuant to current Grantee policy and manufacturer's instruction.

11.02(b) The Department shall maintain a vested interest in all equipment and supplies purchased with grant funds.

11.02(c)Upon request by the Department, the Grantee shall account for and return in good condition, reasonable use and wear excepted, all such equipment and supplies purchased with funds received under this Grant Agreement.

11.03 **Prior Approval for Equipment and Capital Expenditures:**

All capital expenditures for property and equipment are unallowable except with the written prior approval of the Department and must be included as a separate budgetary line item in Exhibit E of this grant agreement. Further regulations regarding the acquisition, disposition and overall accounting for property and equipment are delineated in federal administrative requirements and cost principles, incorporated by reference in Sections 4.01 and 6.02 of this agreement. Additionally, the grantee shall be bound by any special terms, conditions or restrictions regarding capital expenditures for property and equipment as disclosed in Exhibit K of this grant agreement.

XII. INDEPENDENT GRANTEE:

12.01 **Relationship:**

12.01(a) The relationship of the Grantee to the Department will be that of an independent grantee and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this Grant Agreement.

12.01(b) Grantee shall be responsible for selecting, supervising, and compensating individuals employed pursuant to the terms of this Grant Agreement.

12.01(c)Neither the Grantee nor any employees or contractors of the Grantee shall be deemed to be employees of the Department for any purposes whatsoever, and neither the Grantee nor any employees or contractors of the Grantee shall be eligible to participate in any benefit program unless such program is specifically available to the Grantee by the State of West Virginia as a separate, distinct and stand alone benefit not arising from the Department and this grant agreement.

12.01(d) Grantee shall be exclusively responsible for the payment to its employees and contractors of all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, compliance with the wage and hour law and all other employment laws.

XIII. INDEMNIFICATION AND HOLD HARMLESS:

13.01 **Indemnification and Hold Harmless:**

Grantee shall indemnify and hold harmless the Department, its Bureaus, Offices, Commissions, State of West Virginia, its officers, agents, subcontractors and employees of each entity from and against any and all loss, damage, liability and from any claims for damages arising from bodily injury, including death, which may be sustained or claimed to be sustained by any person, including employees of Grantee or its subcontractors or agents, and from any damages to property, including loss of use, and including property of the Department and State of West Virginia, caused by or arising out of or claimed to have been caused or to have arisen out of an act or omission of Grantee or its agents, employees or subcontractors in connection with the performance of this Grant Agreement, or caused by or arising out of or claimed to have been caused or to have arisen out of the concurrent negligence of Grantee, its agents and employees, in connection with the performance of this Grant Agreement, whether or not insured against; provided, however, that the foregoing indemnification will not cover loss, damage or liability arising from the sole negligence of the Department, its agents and employees; and Grantee shall at its own cost and expense defend any claim, suit, action, or proceeding, whether groundless or not, which may be commenced against the Department or State of West Virginia, and Grantee shall pay all judgments which may be recovered in any such actions, claims, proceedings or suits and defray any and all expenses, including costs and attorneys fees, which may be incurred as a result of such actions, claims, proceedings or suits. Notwithstanding the foregoing, in the event of such actions, claims, proceedings or suits, the Department shall be entitled, if it so elects, to representation by attorneys of its own selection. The obtaining by the Grantee of a release or discharge of liability running to the Grantee shall not diminish nor affect in any way the rights of the Department and the obligation of the Grantee.

XIV. ASSURANCES & PUBLIC POLICY REQUIREMENTS

14.01 **Assurances:**

14.01(a) **Conflicts of Interest:** The Grantee attests that it, its officers or members, employees, or subgrantees presently have no interest and shall not acquire any interest, direct or indirect which would conflict or compromise in any manner the performance of services. The Grantee further attests that during the performance of the Grant Agreement,

the Grantee shall periodically question its officers, members and employees concerning such interests. Any such interest discovered shall be promptly presented in detail to the Department. The Grantee will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal gain.

14.01(b) **Transactions with Affiliated Business Entities or Relatives:** Grantee will make a full disclosure in writing to the Department any corporation, partnership, sole proprietorship, or other business entity of any kind which is a wholly or partially owned entity of the Grantee or whose relatives supply goods or services to Grantee or work for or provide services to Grantee.

14.01(c)**No Debt Requirement:** Grantee certifies it has thoroughly reviewed its business activities and accounts after reading **Exhibit I** (attached), and Grantee hereby assures the Department that Grantee and all its related parties do not owe any debt, or if a debt is owed that the "exception clause" applies as listed in **Exhibit I.**

14.02 **Public Policy Requirements:**

14.02(a) **Certification Regarding Debarment & Suspension:** Grantee certifies that no entity, agency, or person associated with the Grantee is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension."

14.02(b) **Certification of Compliance with Environmental Tobacco Smoke/Pro Children Act of 1994:** Grantee certifies compliance with Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as Pro-Children Act of 1994, requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity. By signing and submitting this application the Grantee certifies that it will comply with the requirements of the Act.

The Grantee further agrees that it will require the language of this certification be included in any subgrants which contain provisions for the children's services and that all subgrantees shall certify accordingly.

The Public Health Service strongly encourages all grant recipients to provide a smoke-free workplace and promote the non-use of tobacco products. This is consistent with the PHS mission to protect and advance the physical and mental health of the American people.

14.02(c)**Certification of a Drug Free Workplace:** In accordance with Public Law 100-690 Drug-Free Workplace Act of 1988 the Grantee certifies the following requirements for a drug free workplace will be provided and/or maintained with a good faith effort including, at a minimum, having a policy statement and an ongoing drug awareness program. If

such a policy and practice have not been established heretofore, Grantee agrees to do so within thirty (30) calendar days after the beginning of this Grant Agreement.

Grantee agrees to publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition. Grantee also agrees to make it a requirement that each employee who will be engaged in the provision of service under this Grant Agreement be given a copy of this statement and that each such employee understand that, as a condition of employment, the employee will abide by the terms of the statement.

Grantee also agrees to establish and/or maintain an ongoing drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, any available drug counseling or rehabilitation, and the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

14.02(d) **Certifications Related to Lobbying:** Grantee shall not endorse or support any candidate running for partisan political office. No federal or state funds under this Grant Agreement shall be expended to support any legislative lobbying efforts of Grantee related to specific legislation. Grantee shall certify that no federal appropriated funds have been paid or will be paid, by or on behalf of the Grantee or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress , an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, Grantee shall immediately complete and submit a disclosure form to report lobbying.

Grantee shall require that the language of this certification be included in the award documents for all subawards at all tiers (including, but not limited to subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this Grant Agreement was made. Submission of this certification is a prerequisite for making and entering into this Grant Agreement imposed under 31 U.S.C. § 1351. Any person who fails to file the required certification shall be subject to a civil penalty.

14.02(e) **Civil Rights:** Grantee shall comply with all Federal and State laws, rules and regulations which prohibit any unlawful discrimination or violations of civil rights. Such laws, rules and regulations shall include, but not be limited to: Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), the Americans with Disabilities Act of 1990, all requirements imposed by applicable United States Department of Health and Human Services (45 C.F.R. § 84), and guidelines

and interpretations issued pursuant thereto, the Age Discrimination Act of 1975; Title IX of the Education Amendments Act of 1972. Grantee shall insert a similar provision in all subcontracts for activities covered under the Grant Agreement.

14.02(f) **Program Fraud Civil Remedies Act:** The authorized official signing for the Grantee certifies that the statements herein are true, complete, and accurate to the best of his or her knowledge, and that he or she is aware that any false, fictitious, or fraudulent statements or claims may subject him or her to criminal, civil, or administrative penalties. The undersigned agrees the Grantee organization will comply with all terms and conditions of the Grant Agreement.

XV. OTHER TERMS AND CONDITIONS

15.01 **Confidentiality of Records:**

Strict standards of confidentiality of records shall be maintained in accordance with State and Federal laws. A statement more fully explaining the requirements attached as **Exhibit J** must be followed by the Grantee. It is expressly understood and agreed that obligations set forth in this section shall survive the termination of this Grant Agreement.

15.02 **No Waiver/Strict Performance Required:**

Failure by any party to this Grant Agreement to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Grant Agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Agreement shall be deemed to have been waived, modified, deleted except by a written amendment signed by the parties.

15.03 **Titles, Tense:**

In construing this Grant Agreement, whenever appropriate, the singular tense shall be deemed to mean the plural and vice-versa. Titles of sections and paragraphs used herein are for the purpose of facilitating ease of reference only and shall not be construed to be a part of this Grant Agreement.

15.04 **State and Federal Compliance:**

The Grantee shall comply with all applicable State and Federal laws and regulations in the performance of this Grant Agreement.

15.05 **Department Liability:**

The Department shall have no liability except as specifically provided in this Grant Agreement.

15.06 Organization and/or Personnel Changes:

Grantee agrees to inform the Department of any changes of key personnel or organizational structure affecting the operation of the Grantee agency.

15.07 Taxes and Obligations:

Grantee certifies it is current on all taxes and obligations due the federal, state, and local governments.

15.08 Public Notice:

Grantee shall give credit in any publicity, printed materials, programs, press releases as follows: "This program is being presented with financial assistance as a grant from the West Virginia Department of Health and Human Resources."

15.09 Information Technology Policies:

Grantees that have access to Department data systems or use the Department's Wide Area network (WAN) agree to comply with all of the Department's Information Technology Policies, including, but not limited to, the Information Technology Resource Policy and the Hardware/Software Policy. Grantee agrees to only use these systems for activities related to the work performed under this Grant Agreement.

XVI. SPECIAL TERMS AND CONDITIONS

16.01 Any special terms and conditions required as a condition for receiving and expending funds under this Grant Agreement are attached as **Exhibit K.**

16.01(a) If any of these special terms and conditions required by federal statute, codified federal regulation, applicable West Virginia Code citations, administrative rules, or Department policies conflict with any other terms and conditions of this Grant Agreement, the special terms and conditions shall control.

16.01(b) If the special terms and conditions conflict with federal statutes, codified federal regulations, applicable West Virginia Code citations, administrative rules, or Department policies, such special terms and conditions are void.

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be signed and dated as shown below.

FOR Oakland PSD

Grantee Authorized Signature: Cindy A Jones *Date:* 4-15-09

Printed Name and Title: Cindy A. Jones, Chairperson

Taken, sworn and subscribed before me this 15 *day of* April, 2009

Notary Public Signature: Anita D. Mahan

My Commission Expires: 08/18/2015

Official Seal
Notary Public, State of West Virginia
Anita D. Mahan
Oakland P.S.D.
766 Carothers Road
Weirton, WV 26062
My Commission Expires August 18, 2015

FOR THE DEPARTMENT OF HEALTH AND HUMAN RESOURCES

4/23/09
Date

OAKLAND PUBLIC SERVICE DISTRICT
768 Carothers Road
Weirton, WV 26062
PHONE NO. 304-797-8353 FAX NO. 304-797-7487

Memo To: Bob Decrease, P.E.
WV Dept. of Health and Human Resources
Bureau for Public Health

From: Anita Mahan
Office Manager
Oakland PSD

Date: April 13, 2011

Subject: 2008W-1039

Dear Mr. Decrease:

Please be advised that the Oakland PSD Board has made a commitment to provide a Local Contribution of $100,000.00 towards the project funding.

This money was set aside from a loan received after our last rate increase and will be drawn from the Oakland Wesbanco account.

If you have any questions please call 304-797-8353.

Kind regards,

Anita Mahan

Anita Mahan
Office Manager
Oakland PSD

HANCOCK COUNTY COMMISSION

JEFF DAVIS PRESIDENT
DAN GREATHOUSE COMMISSIONER
MICHAEL SWARTZMILLER COMMISSIONER

April 20, 2011

Oakland Public Service District
768 Carothers Road
Weirton, WV 26062

Dear Board Members:

The Hancock County Commission has committed $230,000 toward the waterline extensions, water improvements and tank painting projects of the Oakland Public Service District.

The Commission appreciates your commitment to the customers within the Oakland Public Service District.

Sincerely,

Jeff Davis, President

P.O. BOX 485 • NEW CUMBERLAND, WV 26047 • (304)564-3311 • (304)387-1314 • FAX (304)564-4059

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY) 05/15/12

PRODUCER

Serial # A14701

WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

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

INSURERS AFFORDING COVERAGE

INSURED

OAKLAND PUBLIC SERVICE DISTRICT
768 CAROTHERS ROAD
WEIRTON, WEST VIRGINIA 26062

INSURER A: NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
	GENERAL LIABILITY				EACH OCCURRENCE	$	1,000,000
A	X COMMERCIAL GENERAL LIABILITY		07/01/2011	07/01/2012	FIRE DAMAGE (Any one fire)	$	100,000
	CLAIMS MADE X OCCUR				MED EXP (Any one person)	$	0
	X WRONGFUL ACT	000002642			PERSONAL & ADV INJURY	$	INCLUDED
	X PROFESSIONAL				GENERAL AGGREGATE	$	NONE
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC				PRODUCTS - COMP/OP AGG	$	NONE
	AUTOMOBILE LIABILITY		07/01/2011	07/01/2012	COMBINED SINGLE LIMIT (Ea accident)	$	1,000,000
A	ANY AUTO						
	X ALL OWNED AUTOS				BODILY INJURY (Per person)	$	
	X SCHEDULED AUTOS	000002642					
	X HIRED AUTOS				BODILY INJURY (Per accident)	$	
	X NON-OWNED AUTOS						
					PROPERTY DAMAGE (Per accident)	$	
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$	
	ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$	
					AGG	$	
	EXCESS LIABILITY				EACH OCCURRENCE	$	
	OCCUR CLAIMS MADE				AGGREGATE	$	
						$	
	DEDUCTIBLE					$	
	RETENTION $					$	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		07/01/2011	07/01/2012	WC STATU-TORY LIMITS OTH-ER		
A	STOPGAP	00002642			E.L. EACH ACCIDENT	$	1,000,000
					E.L. DISEASE - EA EMPLOYEE	$	1,000,000
					E.L. DISEASE - POLICY LIMIT	$	1,000,000
	OTHER						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

OAKLAND PUBLIC SERVICE DISTRICT OPERATIONS

CERTIFICATE HOLDER ADDITIONAL INSURED: INSURER LETTER:

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
180 ASSOCIATION DRIVE
CHARLESTON, WEST VIRGINIA 25311
U.S.A.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Jerry W. Gladwell

ACORD 25-S (7/97)
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WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service ***1974 - 2012***

May 24, 2012

Oakland Public Service District
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith & Associates, the independent certified public accountants and an opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests 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, of Oakland Public Service District (the "Issuer"), hereby consents to the issuance of the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), (collectively, the "Bonds"), in the respective principal amounts of $3,014,455 and $1,367,839 by the Issuer, under the terms of the resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment with the Issuer's Water Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated June 28, 1995, issued in the original aggregate principal amount of $579,740 (the "Prior Bonds").

Sheila A. Miller
Authorized Representative

668010.00001

180 Association Drive, Charleston, WV 25311-1217
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

CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: May 24, 2012

Re: Oakland Public Service District
768 Carothers Road, Weirton, WV 26062
Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program)

DISBURSEMENTS TO OAKLAND PUBLIC SERVICE DISTRICT

A.	Payor:	West Virginia DWTRF Program
	Source:	Series 2012 A Bond Proceeds
	Amount:	$75,362
	Form:	Wire Transfer
	Payee:	Oakland Public Service District
	Bank:	United Bank, Inc. 109 Three Springs Drive, Weirton, WV 26062
	Routing #:	051900395
	Account #:	0070785688
	Contact:	(304) 723-2000
	Account:	Series 2012 Bonds Construction Trust Fund

B.	Payor:	West Virginia DWTRF Program
	Source:	Series 2012 B Bond Proceeds
	Amount:	$34,196
	Form:	Wire Transfer
	Payee:	Oakland Public Service District
	Bank:	United Bank, Inc. 109 Three Springs Drive, Weirton, WV 26062
	Routing #:	051900395
	Account #:	0070785688
	Contact:	(304) 723-2000
	Account:	Series 2012 Bonds Construction Trust Fund

668010.00001

Oakland Public Service District

Draw No. 1

RESOLUTION OF THE OAKLAND PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED WATER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Oakland Public Service District has reviewed the invoices attached hereto and incorporated herein by reference relation to the pre-construction of the Water Project funded by the Drinking Water Treatment Revolving Fund, Local, County and DWTRF Design Grant 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 Oakland Public service District by as follows: There is hereby authorized and directed the payment of the attached invoices listed below:

Vendor	Total	DWTRF	DWTRF (forgivable)	Local
Steptoe & Johnson	25,000.00	25,000.00	0.00	0.00
Huntington Bank (Registrar)	1,000.00	1,000.00	0.00	0.00
Future Construction *	83,558.00	49,362.00	34,196.00	0.00
TOTAL	$109,558.00	75,362.00	34,196.00	0.00

**first draw must be at least 2.5% of loan amount*

ADOPTED BY the Oakland Public Service District, at the meeting held on the 25th day of April, 2012.

By: Cecily A Dunn
Its: Chairman

668010.00001

SWEEP RESOLUTION

WHEREAS, the Oakland 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, 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, 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) The 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 16th day of May, 2012.

Chairman

Secretary

OAKLAND PUBLIC SERVICE DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SERVICE PROPERTIES THROUGH THE ISSUANCE OF WATER REVENUE BONDS, SERIES 1995, OF THE OAKLAND PUBLIC SERVICE DISTRICT, IN THE AMOUNT OF $579,740, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO A PUBLIC WATER SYSTEM; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BONDS; PROVIDING STATUTORY LIEN ON REVENUES AND SYSTEM; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; PROVIDING FOR THE ADOPTION, RATIFICATION, APPROVAL AND COLLECTION OF RATES AND CHARGES FOR THE PUBLIC WATER SYSTEM; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

BE IT ORDAINED AND RESOLVED BY THE PUBLIC SERVICE BOARD OF OAKLAND PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Oakland Public Service District (the "Issuer") is a public corporation and political subdivision of the State of West Virginia in Hancock County.

B. The Issuer presently owns and operates a water system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer and surrounding areas that there be constructed certain additions, betterments and improvements for the existing water system of the Issuer, consisting of acquisition and construction of new lines within the district, together with all appurtenant facilities (the "Project") which constitute properties for the necessary, dependable, effective and efficient purification of water, the disposal of liquid and solid wastes harmful to the public health and safety removed from such water, to improve water and stream quality, and to assist and cooperate with governmental agencies in achieving such purposes (the existing water facilities of the Issuer, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $1,329,740, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all sinking funds, reserve accounts and other payments provided for herein, all as such terms are hereinafter defined, as well as the payments on the 1989 Loan referenced herein.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds in the total aggregate principal amount of $579,740 (the "Bonds") to finance the cost of the construction and improvement to the System in the manner hereinafter provided.

E. The estimated maximum cost of construction and acquisition of the Project is $1,329,740, of which $579,740 will be obtained from the sale of the Bonds and $750,000 from a Small Cities Block Grant hereinafter defined. The cost of such acquisition and construction shall be deemed to include but not limited to the cost of all property rights, easements and franchises deemed necessary or convenient therefor; amounts which may be deposited in the Series 1995 Bond Reserve Account; 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, capitalized interest, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

G. The Issuer 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"), and upon review thereof, the Authority has indicated its willingness to lend the Issuer $579,740 through the purchase of revenue bonds of the Issuer with moneys held by the Authority hereinafter defined, subject to the Issuer's satisfaction of certain legal and other requirements of the Program, hereinafter defined.

H. It is in the best interests of the Issuer that the Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority or as shall be approved by a Supplemental Resolution (hereinafter defined).

I. There is a prior obligation of the Issuer being the Wheeling National Bank loan dated June 5, 1989, made pursuant to a Loan Agreement (the "Loan Agreement") in the original aggregate principal amount of $183,500 (the "1989 Loan"). The Bonds hereby authorized will be on a parity with the 1989 Loan as to lien and source of payment pursuant to the consent thereto to be given by Wheeling National Bank.

J. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or such final order will not be subject to appeal. The Project is not subject to review by the Infrastructure Council on the basis of having its financing in place prior to the adoption of such legislation.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such 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 registered owners of the 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 Chapter 16, Article 13A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Chairman of the Issuer or any acting Chairman duly appointed by the Governing Body.

"Bondholder," "Holder of the Bonds," "Holder" 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 resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" means the bank or other entity designated herein or in any Supplemental Resolution and its successors and assigns.

"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.

"Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $579,740 in aggregate principal amount of Series 1995 Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Chairman" means the Chairman of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Authority.

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

"Construction Fund" means the Construction Fund established by Section 4.01 hereof.

"Consulting Engineers" means Kelley, Gidley, Blair & Wolfe, Inc., Parkersburg, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

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

"Debt Service" means the scheduled amount of interest and

amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means the bank designated as such herein or in a Supplemental Resolution or letter, and its successors and assigns.

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

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

"Governing Body" means the Public Service Board of the Issuer, as may hereafter be constituted.

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

"Grant Agreement" means a written commitment for the payment of the Small Cities Block Grant, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Grant Receipts" means all moneys received by the Issuer on account of the Small Cities Block Grant.

"Grants" means, collectively, the Small Cities Block Grant and any Other Grants.

"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 7.01 hereof) or any Tap Fees, as hereinafter defined.

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

"Independent Certified Public Accountants" shall mean 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 Oakland Public Service District, in Hancock County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean the Loan Agreement to be entered into between the Authority and the Issuer providing for the purchase of the Bonds from the Issuer by the Authority, the form of which may be approved, and the execution and delivery by the Issuer authorized and directed or ratified by a Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 1995 Bond, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1995 Bond 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 1995 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.

"1989 Loan" means the $183,500 loan made by Wheeling National Bank to the Issuer as evidenced by the Loan Agreement dated May 5, 1989, between Wheeling National Bank and the Issuer.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund established by Section 4.01 hereof.

"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, Registrar and 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.

"Other Grants" means any grant other than the Small Cities Block Grant hereafter received by the Issuer to aid in financing any Costs.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, as well as the outstanding 1989 Loan, except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article IX hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or any Bonds registered to the Issuer.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitation prescribed by Section 6.07 hereof.

"Paying Agent" means the Municipal Bond Commission, its successors and assigns.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Program" means the West Virginia Water Development Authority Act

program, under which the Authority purchases the water revenue bonds of local governmental entities satisfying certain legal and other requirements with funds on deposit with the Authority pursuant to the provisions of Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended.

"Project" means the acquisition and construction of certain additions, betterments and improvements to the existing water facilities of the Issuer, consisting generally of an extension of such facilities to Hudson Hill and North Fork Road within Oakland Public Service District and all appurtenant facilities.

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

"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 State Board of Investments pursuant to Chapter 12, Article 6, of the West Virginia Code of 1931, as amended; provided, that investments by such fund on behalf of the Issuer shall be restricted to Qualified Investments other than that described in this paragraph (h); and

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

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

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

"Registrar" means United National Bank, its successors and assigns.

"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 4.01 hereof.

"Revenue" or "System Revenue Fund" means the Revenue or System Revenue Fund established under Section 4.01 hereof.

"Secretary" means the Secretary or Acting Secretary of the Issuer.

"Series 1995 Bond or Bonds" means the $579,740 in aggregate principal amount of Water Revenue Bonds, Series 1995 of the Issuer.

"Series 1995 Bond Reserve Account" means the Series 1995 Bond Reserve Account established in the Series 1995 Bond Sinking Fund pursuant to Section 4.02 hereof.

"Series 1995 Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1995 Bond in the then current or any succeeding year.

"Series 1995 Bond Sinking Fund" means the Series 1995 Bond Sinking Fund established by Section 4.02 hereof.

"Small Cities Block Grant" means the grant from the Department of Housing and Urban Development Small Cities Block Grant in the amount of $750,000 pursuant to the commitment therefor.

"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 Resolution authorizing the sale the Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Bonds, as the case may be, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, or any other obligations of the Issuer, including the Renewal and Replacement Fund, the Reserve Account and the Series 1995 Bond Reserve Account, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of $1,329,740 in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof. The Issuer has received bids or entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority.

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 funding a reserve account for the Bonds, paying capitalized interest, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Bonds and related costs, or any of such purposes, as determined by a Supplemental Resolution, there shall be issued negotiable Bonds of the Issuer, in an aggregate principal amount of $579,740. Said Bonds shall be issued in one series, to be designated, "Water Revenue Bonds, Series 1995" in the aggregate principal amount of $579,740, shall have such terms as set forth hereinafter or in any Supplemental Resolution. The proceeds of the Bonds remaining after funding of the Series 1995 Bond Reserve Account (if funded from Bond proceeds) and capitalized interest, if any, shall, subject to Section 5.02 hereof, be deposited in or credited to the Construction Fund established by Section 4.01 hereof.

Section 3.02. Terms of Bond. The Bond shall be a single registered bond numbered R-1. The Bond shall bear interest at such rate or rates, not exceeding 6.75% per annum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer may prescribe herein or in a Supplemental Resolution. The Bond 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 Bond shall be paid by check or draft of the Paying Agent mailed to the registered

owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by a Supplemental Resolution, the Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount, and shall mature in principal installments, all as may be provided in a Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series 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 and at such interest rates and shall be payable as determined by a Supplemental Resolution.

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

Section 3.04. Authentication and Registration. No 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 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 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 Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bond 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 any of the Bonds remain outstanding, the Bond Registrar shall keep and maintain books for the registration and transfer of the Bonds.

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

owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be 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 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 preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be 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. Bond not to be Indebtedness of the Issuer. The Bond 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 and amounts, if any, in the Series 1995 Bond Reserve Account. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1995 Bond shall be secured by a lien on the Net Revenues derived from the System on a parity with that of the 1989 Loan. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bond and the 1989 Loan and to make the payments into the funds and accounts established herein are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due. At closing, the Independent Certified Public Accountants will deliver a Certificate describing the Issuer's ability to make payments owed on the Bond and the 1989 Loan.

Section 3.09. Parity with 1989 Loan. The lien on the revenues of the System and the pledge of such revenues provided and stated in Section 3.08 above in favor of the Series 1995 Bond are on a parity with the lien thereon and pledge thereof in favor of the 1989 Loan.

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

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OAKLAND PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS,
SERIES 1995

No. R-1 $579,740

Date: June 28, 1995

KNOW ALL MEN BY THESE PRESENTS: That OAKLAND PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, located in Hancock 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 Five Hundred Seventy-Nine Thousand Seven Hundred Forty and 00/100 Dollars ($579,740.00), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest due on each installment shall run from the original date of delivery of the Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1995. Principal and interest 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 Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). Principal and interest on this Bond are 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 United National Bank, Charleston, West Virginia (the "Registrar"), on the 15th day of the month next preceding such payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole at par, but only with the written consent of the Authority and upon the terms and conditions prescribed by and otherwise in compliance with the Loan Agreement by and between the Issuer and the Authority, dated June 28, 1995.

This Bond is issued (i) to pay a portion of the costs of construction of certain extensions, additions, betterments and improvements to the existing public water facilities of the Issuer (the "Project"); (ii) to pay capitalized interest on the Bond during the construction of the Project and for a period of not more than six (6) months after completion; and (iii) to pay certain costs of issuance hereof and related costs. The existing water system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements thereto is 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 of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted and enacted by the Issuer and effective June 21, 1995 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bond under the Resolution.

THIS BOND IS ON A PARITY AS TO LIEN AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S 1989 LOAN DATED MAY 5, 1989, IN THE ORIGINAL PRINCIPAL AMOUNT OF $183,500, OWED TO WHEELING NATIONAL BANK (the "PRIOR DEBT").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, from moneys in the Reserve Account created under the Resolution for the Bond (the "Series 1995 Bond Reserve Account") and unexpended proceeds of the Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1995 Bond Reserve Account and unexpended proceeds of the Bond. Pursuant to the Resolution, 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, to pay principal and interest on the 1989 Loan, and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount payable in any year for principal of and interest on the Bond, as hereinafter defined, and all other obligations secured by a lien on or payable from such net revenues prior to or on a parity with the Bond including the Prior Debt, provided however, that so long as there exists in the Series 1995 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bond in the then current or any succeeding year and in the reserve account established for any other obligations outstanding prior to or on a parity with the Bond including the Prior Debt, an amount at least equal to the requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the registered owners of the Bond for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Bond are exclusively as provided in the Resolution, 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 Resolution, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other obligations of 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 revenues of the System has been pledged to and will

be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Resolution, 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, OAKLAND 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 June 28, 1995.

OAKLAND PUBLIC SERVICE DISTRICT

[SEAL]

By:_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 1995 Bond described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June ____, 1995

UNITED NATIONAL BANK, as Registrar

By: _____
Assistant Vice President

SCHEDULE A

SCHEDULE OF ANNUAL DEBT SERVICE

ASSIGNMENT

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

Dated: _____, 19__.

_____
(Assignor)

Witnessed in the presence of:

_____

Section 3.11. Sale of Bond; Ratification of Execution of Loan Agreement with Authority; Incorporation of Terms. The Bond 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 substantially the form attached hereto as "Exhibit A" and made a part hereof, with such changes, insertions and omissions as may be approved by the Chairman, the execution of which shall be conclusive evidence of such approval, 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, ratified and approved. The Loan Agreement, as the same may be amended and/or supplemented, and the terms and provisions thereof are herein incorporated by reference thereto.

Section 3.12. "Amended Schedule A" Filing. Within sixty (60) days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds thereof.

Section 3.13. Certificate of Consulting Engineers. Prior to the issuance of the Bonds, the Issuer must obtain the certificate of the Consulting Engineers in the form attached to the Loan Agreement 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, the Project is adequate for the purposes for which it was designed, and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund or System Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Renewal and Replacement Fund;

(4) Construction Fund; and

(5) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with the Paying Agent. The following special funds or accounts are hereby created with the Paying Agent:

(1) Series 1995 Bond Sinking Fund;

(a) Within the Series 1995 Bond Sinking Fund, the Series 1995 Bond Reserve Account.

Section 4.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the System 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.

(1) The Issuer shall first each month transfer from the Revenue Fund to the Operation and Maintenance Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) So long as the 1989 Loan remains outstanding and unpaid or until provision for payment of the 1989 Loan and the interest thereon has been made in full by deposit of the necessary funds, Issuer shall remit to Wheeling National Bank or any successor thereto the sums required to provide for payment of principal of and interest on the 1989 Loan.

(3) The Issuer shall, simultaneously with the disbursement made under (2) above, (i) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Bonds, apportion and set apart out of the Revenue Fund and remit to the Paying Agent, for deposit in the Series 1995 Bond Sinking Fund, a sum equal to 1/6 of the amount of interest which will become due on said Bond on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1995 Bond Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date, and (ii) on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Bond, apportion and set apart out of the Revenue Fund and remit to the Paying Agent for deposit in the Series 1995 Bond Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Bond on the next ensuing principal payment date: provided that, in the event the period to elapse between the date of such initial deposit in the Series 1995 Bond Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1995 Bond, if not fully funded upon issuance of the Bond, apportion and set apart out of the Revenue Fund and remit to the Paying Agent for deposit in the Series 1995 Bond Reserve Account, an amount equal to 1/120 of the Series 1995 Bond Reserve Requirement; provided, that no further payment shall be made into the Series 1995 Bond Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1995 Bond Reserve Requirement.

(5) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, transfer to 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 the Series 1995 Bond Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that

any deficiencies in the Series 1995 Bond Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof,] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1995 Bond Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, as the same shall become due. Moneys in the Series 1995 Bond Reserve Account shall be used only for the purpose of paying principal of and interest on the Bond, as the same shall come due, when other moneys in the attendant Series 1995 Bond Sinking Fund are insufficient therefor, and for no other purpose.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 1995 Bond Sinking Fund and Series 1995 Bond Reserve Account shall be returned, not less than once each year, by the Paying Agent to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Construction 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 payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Except with respect to transfers to the Rebate Fund permitted hereunder, any withdrawals from the Series 1995 Bond Reserve Account which result in a reduction in the balance of the Series 1995 Bond Reserve Account to below the Series 1995 Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full, to the Series 1995 Bond Sinking Fund for payment of debt service on the Series 1995 Bond.

As and when additional Bonds ranking on a parity with the Bond 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 appropriate reserve account in an amount equal to the maximum provided and required to be paid into the concomitant Sinking Fund in any year for account of the Bonds of such series, including such additional Bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1995 Bond Sinking Fund or into the Series 1995 Bond Reserve Account therein when the aggregate amount of funds in said Series 1995 Bond Sinking Fund and Series 1995 Bond Reserve Account are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Paying Agent is hereby designated as the fiscal agent for the administration of the Series 1995 Bond Sinking Fund created hereunder, and all amounts required for said Series 1995 Bond Sinking Fund shall be remitted to the Paying Agent from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 1995 Bond Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Paying Agent with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Series 1995 Bond Reserve Account shall be invested and reinvested by the the Paying Agent in accordance with Section 7.01 hereof.

The Series 1995 Bond Sinking Fund, including the Series 1995 Bond Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. 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 any payments of principal and interest owed on the 1989 Loan 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 the Series 1995 Bond Sinking Fund, including the Series 1995 Bond Reserve Account therein and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. So long as the 1989 Loan is outstanding, such Surplus Revenues shall be used to prepay principal owed on the 1989 Loan and to redeem the Bonds, on a pro rata basis, or for any lawful purposes of the Issuer.

C. The Issuer shall remit from the Revenue Fund to the Registrar, the Paying Agent or the Depository Bank, on such dates as 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 the Registrar's fees, the Paying Agent's fees and the Depository Bank's charges then due. The Issuer shall also remit from the Revenue Fund to the Authority, on such dates as the Authority shall require, the Issuer's allocable share of the reasonable administrative expenses, if any, incurred by the Authority.

D. United National Bank is hereby designated the Depository Bank. The Issuer appoints United National Bank as Registrar for the Bonds, and the Municipal Bond Commission is hereby designated as Paying Agent for the Bonds.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the revenues which are available shall be used to pay principal and interest owed on the 1989 Loan and the Bonds on a pro rata basis and the deficiency shall be made up in 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 4.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

H. All Tap Fees shall be deposited by the Issuer, as received, in the Construction 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 V

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 5.01. Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1995 Bond, there shall be deposited with the Paying Agent in the Series 1995 Bond Reserve Account $0 for funding of the Series 1995 Bond Reserve Account.

B. Next, from the proceeds of the Series 1995 Bond, there shall be deposited with the Paying Agent in the Series 1995 Bond Sinking Fund $39,133.00 for payment of interest on the Bonds during construction of the Project and for a period of not more than six (6) months after completion.

C. Next, from the proceeds of the Series 1995 Bond, and subject to Section 5.02 below, there shall first be credited to the Construction Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Construction Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 5.02.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Construction Fund and shall comply with all requirements with respect to the disposition of the Construction Fund set forth in the Bond Legislation. Moneys in the Construction Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1995 Bond.

Section 5.02. Disbursements From the Construction Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Construction Fund, except for the costs of issuance of the Bonds, which shall be made upon request of the Issuer, shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

(A) That none of the items for which the 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 made 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; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Construction Fund only the net amount remaining after deduction of any such portion. All payments made from the Construction Fund shall be presumed by the Depository Bank to be

made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Construction Fund, if any, to the Series 1995 Bond Reserve Account, and if the Series 1995 Bond Reserve Account is fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. 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 Bond. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

Section 6.02. Bonds Not to be Indebtedness of the Issuer. The Bonds shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1995 Bond issued hereunder shall be secured forthwith by a first lien on the Net Revenues derived from the operation of the System on a parity with that of the 1989 Loan.

The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and the 1989 Loan and to make the payments into the Series 1995 Bond Sinking Fund, including the Series 1995 Bond Reserve Account therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the 1989 Loan as the same become due, and for the other purposes provided in the Bond Legislation.

Section 6.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved by the West Virginia Public Service Commission and confirmed in a Rate Resolution to be adopted by the Issuer.

Section 6.05. Sale of the System. Except as otherwise required by state law, 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 Outstanding indebtedness or to effectively repay the 1989 Loan and defease the Bonds in accordance with Section 9.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Outstanding indebtedness, immediately be remitted to the Paying Agent for deposit in the Series 1995 Bond Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Paying Agent to apply such proceeds to the payment of principal at maturity of and interest on the Outstanding indebtedness. Any balance remaining after the payment of all the Outstanding indebtedness and interest thereon shall be remitted to the Issuer by the Paying Agent unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Paying Agent for deposit in the Series 1995 Bond Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Series 1995 Bond Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this 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 Outstanding indebtedness without the prior approval and consent in writing of the Authority and the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the Authority and the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 6.06 and in Section 6.07, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds and the 1989 Loan. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations

are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1995 Bonds and the 1989 Loan; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Series 1995 Bond Reserve Account and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds and the 1989 Loan, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the 1989 Loan and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 6.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bonds issued pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1995 Bond, and, so long as the 1989 Loan is outstanding, on a parity therewith.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, 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, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 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, 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 on the following:

(1) The Bonds then Outstanding and the 1989 Loan;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received,

in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

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 1995 Bonds and the 1989 Loan on such revenues. The Issuer shall not issue any obligations whatsoever payable from the 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 1995 Bonds and the 1989 Loan.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds and the 1989 Loan then outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

B. Notwithstanding the foregoing, or any provision of Section 6.06 to the contrary, Additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 6.07 but only with the consent of Wheeling National Bank with respect to the 1989 Loan.

C. Notwithstanding the foregoing, in no event shall the Issuer be permitted to issue such Additional Bonds unless there is first obtained by the Issuer the written consent of the Authority and of Wheeling National Bank to the issuance of bonds on a parity with the Bonds and the 1989 Loan.

Section 6.08. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Authority 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 Issuer shall permit the Authority, or its agents and representatives, to inspect all records pertaining to the operation 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 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 Consulting Engineers and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, 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 with respect to said Bonds and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that Local Government Revenues are adequate to meet operation/maintenance expenses and debt service requirements.

The Issuer shall also, during construction of the Project and for two years following the completion of the Project, complete a Monthly Financial Report, as described in the Loan Agreement, and forward a copy by the 10th of each month to the Authority.

Section 6.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay

Operating Expenses and to make the prescribed payments into the funds created hereunder for the Bonds and for payment of the 1989 Loan. 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 reasonable expenses of operation, repair and maintenance of the System; (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 on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; and (iii) otherwise comply with the rate covenant set forth in the Loan Agreement for the 1989 Loan so long as the 1989 Loan remains outstanding; provided that, in the event that amounts equal to or in excess of the Series 1995 Bond Reserve Requirement are on deposit respectively in the Series 1995 Bond Reserve Account and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate resolution described in Section 6.04.

Section 6.10. Operating Budget and Audit. 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 reserves and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the 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 the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall, within 30 days of the adoption thereof, mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bond, 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 to any Holder of any Bond, or anyone acting for and on behalf of such Holder of any Bonds.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 6.11. Engineering Services and Operating Personnel. The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority 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.

Section 6.12. 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 6.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid, to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 6.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class: and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of 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 said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

(5) 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 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.

C. 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. 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 6.16. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System in good condition and in compliance with all federal and State requirements and standards.

The Issuer will obtain all permits required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission necessary for the acquisition and construction of the Project and the operation of the System.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bond are used for private business use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bond during the term thereof is, under the terms of the Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bond are used for a private business use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bond during the term thereof is, under the terms of the Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for said private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said private business use, then said excess over said 5% of Net Proceeds of the Bond used for a private business use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such private business use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

Section 6.18. Compliance with Loan Agreement. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement.

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

Section 6.19. Statutory Mortgage Lien. For the further protection of the holder of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Bonds.

Section 6.20. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 6.21. Securities 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, annual operating related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, (240, 15c2-12).

ARTICLE VII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 7.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and re-invested by the the Paying Agent, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are outstanding.

Section 7.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "Arbitrage Bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely

filing of a Federal Information Return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 7.03. Tax Certificate and Rebate. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Bonds are issued will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code and the Regulations promulgated thereunder. For purposes of this Section 7.03 and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 7.03 and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity, and an entity formed (or, to the extent provided by the Chairman, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall take the following actions:

(i) the Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation;

(ii) the Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder, and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the

event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code or such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes; and

(iii) the Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Bonds subject to rebate. The Issuer shall furnish to the Authority such information with respect to earnings on all moneys constituting "Gross Proceeds" of the Bonds (as such term is defined in the Code) from time to time as the Authority may request. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

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

(3) If a Event of Default occurs under the 1989 Loan; or

(4) 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 8.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of Outstanding Bonds 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 the 1989 Loan, 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 Outstanding 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 Outstanding Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Outstanding Bonds, or the rights of such Registered Owners. All such rights and remedies are on a parity with the rights and remedies afforded Wheeling National Bank under the 1989 Loan.

Section 8.03. 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, 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 Bond 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 Bond 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 Bond 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 Bond. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owner of such Bond 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 IX

DEFEASANCE

Section 9.01. Defeasance of Series 1995 Bond. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 1995 Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1995 Bond only the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1995 Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1995 Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1995 Bond shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All the Series 1995 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the the Paying Agent or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1995 Bond on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Paying Agent pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1995 Bond provided, that any cash received from such principal or interest payments on such securities deposited with the Paying Agent or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bond on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Paying Agent or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66.2/3% or more in principal amount of the Series 1995 Bond so affected and then Outstanding and the Authority; provided, that no change shall be made in the maturity of any Bond 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 out of the funds herein respectively pledged therefor without the consent of the respective 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 on the Bonds from gross income of the holders thereof.

Section 10.02. 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 10.03. 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, any Supplemental Resolution or the Bond.

Section 10.04. Headings, Etc. The headings and captions 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 10.05. Conflicting Provisions Repealed. All orders or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed except for any provisions in any orders or resolutions issued with respect to the 1989 Loan which impose greater obligations upon the Issuer than those described herein.

Section 10.06. 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 enactment 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 10.07. Notice of Meeting. Prior to adoption hereof, notice of the meeting at which this Bond Legislation was to be considered was published at least ten days in advance thereof in a qualified newspaper published and of general circulation in Oakland Public Service District.

Section 10.08. Effective Date. This Resolution shall take effect immediately following its approval.

Adopted this 21st day of June, 1995.

OAKLAND PUBLIC SERVICE DISTRICT

By: _____
Chairman, Public Service Board

Member, Public Service Board

Member, Public Service Board

CERTIFICATION

The attached is certified as a true copy of a Resolution duly enacted by the Public Service Board of Oakland Public Service District on the 21st day of June, 1995.

Dated: June 21, 1995.

[SEAL]

Ed Flowers

Secretary

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OAKLAND PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS,
SERIES 1995

No. R-1

$579,740

Date: June 28, 1995

KNOW ALL MEN BY THESE PRESENTS: That OAKLAND PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, located in Hancock 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 Five Hundred Seventy-Nine Thousand Seven Hundred Forty and 00/100 Dollars ($579,740.00), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest due on each installment shall run from the original date of delivery of the Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1995. Principal and interest 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 Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). Principal and interest on this Bond are 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 United National Bank, Charleston, West Virginia (the "Registrar"), on the 15th day of the month next preceding such payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole at par, but only with the written consent of the Authority and upon the terms and conditions prescribed by and otherwise in compliance with the Loan Agreement by and between the Issuer and the Authority, dated June 28, 1995.

This Bond is issued (i) to pay a portion of the costs of construction of certain extensions, additions, betterments and improvements to the existing public water facilities of the Issuer (the "Project"); (ii) to pay capitalized interest on the Bond during the construction of the Project and for a period of not more than six (6) months after completion; and (iii) to pay certain costs of issuance hereof and related costs. The existing water system of the Issuer, together with the Project, and any further

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extensions, additions, betterments or improvements thereto is 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 of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted and enacted by the Issuer and effective June 15, 1995 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bond under the Resolution.

SPECIMEN

THIS BOND IS ON A PARITY AS TO LIEN AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S 1989 LOAN DATED MAY 5, 1989, IN THE ORIGINAL PRINCIPAL AMOUNT OF $183,500, OWED TO WHEELING NATIONAL BANK (the "PRIOR DEBT").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, from moneys in the Reserve Account created under the Resolution for the Bond (the "Series 1995 Bond Reserve Account") and unexpended proceeds of the Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1995 Bond Reserve Account and unexpended proceeds of the Bond. Pursuant to the Resolution, 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, to pay principal and interest on the 1989 Loan, and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount payable in any year for principal of and interest on the Bond, as hereinafter defined, and all other obligations secured by a lien on or payable from such net revenues prior to or on a parity with the Bond including the Prior Debt, provided however, that so long as there exists in the Series 1995 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bond in the then current or any succeeding year and in the reserve account established for any other obligations outstanding prior to or on a parity with the Bond including the Prior Debt, an amount at least equal to the requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the registered owners

of the Bond for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Bond are exclusively as provided in the Resolution, 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 Resolution, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

SPECIMEN

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, shall be applied solely to the payment of the Costs of the Project described in the Resolution and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other obligations of 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 revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Resolution, 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, OAKLAND 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 June 28, 1995.

OAKLAND PUBLIC SERVICE DISTRICT

SPECIMEN

[SEAL]

By: _____
Chairman

E.F.

ATTEST:

Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 1995 Bond described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 28, 1995

UNITED NATIONAL BANK, as Registrar

SPECIMEN

By: _____
Assistant Vice President

SCHEDULE A

BOND DEBT SERVICE

Oakland Public Service District
Water Revenue Bonds, Series 1995

$579,740

Dated Date 6/28/1995
Delivery Date 6/28/1995

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Jun 28, 1995	-	-	-	-	-
Oct 1, 1995	-	-	10,109.22	10,109.22	10,109.22
Apr 1, 1996	-	-	19,566.23	19,566.23	-
Oct 1, 1996	3,568.00	6.750%	19,566.23	23,134.23	42,700.46
Apr 1, 1997	-	-	19,445.81	19,445.81	-
Oct 1, 1997	3,809.00	6.750%	19,445.81	23,254.81	42,700.62
Apr 1, 1998	-	-	19,317.25	19,317.25	-
Oct 1, 1998	4,066.00	6.750%	19,317.25	23,383.25	42,700.50
Apr 1, 1999	-	-	19,180.02	19,180.02	-
Oct 1, 1999	4,341.00	6.750%	19,180.02	23,521.02	42,701.04
Apr 1, 2000	-	-	19,033.52	19,033.52	-
Oct 1, 2000	4,634.00	6.750%	19,033.52	23,667.52	42,701.04
Apr 1, 2001	-	-	18,877.12	18,877.12	-
Oct 1, 2001	4,947.00	6.750%	18,877.12	23,824.12	42,701.24
Apr 1, 2002	-	-	18,710.16	18,710.16	-
Oct 1, 2002	5,280.00	6.750%	18,710.16	23,990.16	42,700.32
Apr 1, 2003	-	-	18,531.96	18,531.96	-
Oct 1, 2003	5,637.00	6.750%	18,531.96	24,168.96	42,700.92
Apr 1, 2004	-	-	18,341.71	18,341.71	-
Oct 1, 2004	6,017.00	6.750%	18,341.71	24,358.71	42,700.42
Apr 1, 2005	-	-	18,138.63	18,138.63	-
Oct 1, 2005	6,424.00	6.750%	18,138.63	24,562.63	42,701.26
Apr 1, 2006	-	-	17,921.82	17,921.82	-
Oct 1, 2006	6,857.00	6.750%	17,921.82	24,778.82	42,700.64
Apr 1, 2007	-	-	17,690.40	17,690.40	-
Oct 1, 2007	7,320.00	6.750%	17,690.40	25,010.40	42,700.80
Apr 1, 2008	-	-	17,443.35	17,443.35	-
Oct 1, 2008	7,814.00	6.750%	17,443.35	25,257.35	42,700.70
Apr 1, 2009	-	-	17,179.63	17,179.63	-
Oct 1, 2009	8,341.00	6.750%	17,179.63	25,520.63	42,700.26
Apr 1, 2010	-	-	16,898.12	16,898.12	-
Oct 1, 2010	8,904.00	6.750%	16,898.12	25,802.12	42,700.24
Apr 1, 2011	-	-	16,597.61	16,597.61	-
Oct 1, 2011	9,506.00	6.750%	16,597.61	26,103.61	42,701.22
Apr 1, 2012	-	-	16,276.78	16,276.78	-
Oct 1, 2012	10,147.00	6.750%	16,276.78	26,423.78	42,700.56
Apr 1, 2013	-	-	15,934.32	15,934.32	-
Oct 1, 2013	10,832.00	6.750%	15,934.32	26,766.32	42,700.64
Apr 1, 2014	-	-	15,568.74	15,568.74	-
Oct 1, 2014	11,563.00	6.750%	15,568.74	27,131.74	42,700.48
Apr 1, 2015	-	-	15,178.49	15,178.49	-
Oct 1, 2015	12,344.00	6.750%	15,178.49	27,522.49	42,700.98
Apr 1, 2016	-	-	14,761.88	14,761.88	-
Oct 1, 2016	13,177.00	6.750%	14,761.88	27,938.88	42,700.76
Apr 1, 2017	-	-	14,317.16	14,317.16	-
Oct 1, 2017	14,066.00	6.750%	14,317.16	28,383.16	42,700.32
Apr 1, 2018	-	-	13,842.43	13,842.43	-
Oct 1, 2018	15,016.00	6.750%	13,842.43	28,858.43	42,700.86
Apr 1, 2019	-	-	13,335.64	13,335.64	-
Oct 1, 2019	16,029.00	6.750%	13,335.64	29,364.64	42,700.28
Apr 1, 2020	-	-	12,794.66	12,794.66	-
Oct 1, 2020	17,111.00	6.750%	12,794.66	29,905.66	42,700.32

SPECIMEN

BOND DEBT SERVICE

Oakland Public Service District
Water Revenue Bonds, Series 1995

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Apr 1, 2021	-	-	12,217.16	12,217.16	-
Oct 1, 2021	18,266.00	6.750%	12,217.16	30,483.16	42,700.32
Apr 1, 2022	-	-	11,600.69	11,600.69	-
Oct 1, 2022	19,499.00	6.750%	11,600.69	31,099.69	42,700.38
Apr 1, 2023	-	-	10,942.59	10,942.59	-
Oct 1, 2023	20,816.00	6.750%	10,942.59	31,758.59	42,701.18
Apr 1, 2024	-	-	10,240.05	10,240.05	-
Oct 1, 2024	22,221.00	6.750%	10,240.05	32,461.05	42,701.10
Apr 1, 2025	-	-	9,490.10	9,490.10	-
Oct 1, 2025	23,721.00	6.750%	9,490.10	33,211.10	42,701.20
Apr 1, 2026	-	-	[illegible]	8,689.51	-
Oct 1, 2026	25,322.00	6.750%	[illegible]	34,011.51	42,701.02
Apr 1, 2027	-	-	7,834.89	7,834.89	-
Oct 1, 2027	27,031.00	6.750%	7,834.89	34,865.89	42,700.78
Apr 1, 2028	-	-	6,922.60	6,922.60	-
Oct 1, 2028	28,855.00	6.750%	6,922.60	35,777.60	42,700.20
Apr 1, 2029	-	-	5,948.74	5,948.74	-
Oct 1, 2029	30,803.00	6.750%	5,948.74	36,751.74	42,700.48
Apr 1, 2030	-	-	4,909.14	4,909.14	-
Oct 1, 2030	32,882.00	6.750%	4,909.14	37,791.14	42,700.28
Apr 1, 2031	-	-	3,799.37	3,799.37	-
Oct 1, 2031	35,102.00	6.750%	3,799.37	38,901.37	42,700.74
Apr 1, 2032	-	-	2,614.68	2,614.68	-
Oct 1, 2032	37,471.00	6.750%	2,614.68	40,085.68	42,700.36
Apr 1, 2033	-	-	1,350.03	1,350.03	-
Oct 1, 2033	40,001.00	6.750%	1,350.03	41,351.03	42,701.06
	579,740.00		1,052,995.20	1,632,735.20	1,632,735.20

SPECIMEN

ASSIGNMENT

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

SPECIMEN

Dated: _____, 19__.

_____
(Assignor)

Witnessed in the presence of:

_____