OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

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OHIO COUNTY PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM)

BOND RESOLUTION

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OHIO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,605,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO 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 OHIO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 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. Ohio County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Ohio County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed improvements and extensions to the existing public sewerage system of the Issuer, consisting of sewer extensions to the Dallas Pike area of Ohio County, and all necessary appurtenances, (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewer facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance 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"), in connection with the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), which the Authority administers pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $1,605,000 (the "Series 2013 A Bonds"), initially to be represented by a single bond, to (i) permanently finance the costs of acquisition and construction of the Project; and (ii) pay costs of issuance and related costs. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2013 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve 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 SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2013 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2013 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 22 years.

F. It is in the best interests of the Issuer that its Series 2013 A Bonds be sold to the Authority pursuant to the terms and provisions of Loan Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP, approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2013 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's: (i) Sewer Revenue Bonds, Series 1986 A (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $100,320 (the "Series 1986 A Bonds"); (ii) Sewer Revenue Bonds, Series 1988 A (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $694,925 (the "Series 1988 A Bonds"); (iii) Sewer Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $1,013,841 (the "Series 1989 A Bonds"); and (iv) Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 15, 1997, issued in the original aggregate principal amount of $1,081,000 (the "Series 1997 A Bonds"), (hereinafter collectively, the "First Lien Bonds").

There are outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2013 A Bonds as to liens, pledge of and security for payment, being the Issuer's: (i) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $49,961 (the "Series 1986 B Bonds"); (ii) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $173,731 (the "Series 1988 B Bonds"); and (iii) Sewer Revenue Bonds, Series 1989 B (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $150,288 (the "Series 1989 B Bonds") (hereinafter collectively, the "Second Lien Bonds" and collectively with the First Lien Bonds, the "Prior Bonds").

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

K. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2013 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

L. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2013 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2013 A Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2013 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2013 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A, and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2013 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP 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 2013 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

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

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

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

"DEP" means the West Virginia Department of Environmental Protection or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"First Lien Bonds" means the Series 1986 A Bonds, Series 1988 A Bonds, Series 1989 A Bonds and Series 1997 A Bonds.

"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.

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

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

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

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means Ohio County Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Ohio 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 into, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2013 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2013 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2013 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, the SRF 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" do not include payments on account of the principal of or

redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

"Prior Bonds" means, collectively, the Series 1986 A Bonds, the Series 1986 B Bonds, the Series 1988 A Bonds, the Series 1988 B Bonds, the Series 1989 A Bonds, the Series 1989 B Bonds, and the Series 1997 A Bonds.

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

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

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

"Registrar" means the Bond Registrar.

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

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

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

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

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

"Second Lien Bonds" means the Series 1986 B Bonds, the Series 1988 B Bonds and the Series 1989 B Bonds.

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

"Series 1986 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 A (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $100,320.

"Series 1986 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $49,961.

"Series 1988 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1988 A (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $694,925.

"Series 1988 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $173,731.

"Series 1989 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $1,013,841.

"Series 1989 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1989 B (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $150,288.

"Series 1997 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 15, 1997, issued in the original aggregate principal amount of $1,081,000.

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

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

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

"Series 2013 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2013 A Bonds in the then current year or any succeeding year.

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

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

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 2013 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2013 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said system from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $1,605,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2013 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the DEP.

The cost of the Project is estimated to be $1,605,000, which will be obtained from proceeds of the Series 2013 A Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest, if any, on the Series 2013 A Bonds, funding the Reserve Account for the Series 2013 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2013 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2013 A Bonds of the Issuer. The Series 2013 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program)," in the principal amount of $1,605,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2013 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest, if any, on the Series 2013 A Bonds shall be deposited in or credited to the Series 2013 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2013 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2013 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2013 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2013 A Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each

series of the Series 2013 A Bonds. The Series 2013 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall bear interest, if any, and shall be dated as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2013 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2013 A Bonds shall cease to be such officer of the Issuer before the Series 2013 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2013 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Bond Registrar for the Series 2013 A Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2013 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2013 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2013 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2013 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

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

The registered Series 2013 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing,

upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2013 A Bonds or transferring the registered Series 2013 A Bonds are exercised, all Series 2013 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2013 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2013 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2013 A Bonds or, in the case of any proposed redemption of Series 2013 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2013 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2013 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2013 A Bonds or the interest, if any, thereon.

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

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2013 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2013 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2013 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2013 A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2013 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2013 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2013 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: The ____ day of _____, 2013, that OHIO COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Ohio County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____ to and including _____ 1, 20____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of 2.0% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee of 1.0 % (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 said EXHIBIT B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2013.

This Bond is issued (i) to pay the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds (the "Bonds") and related costs. The existing public sewerage system of

the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS");

(2) SEWER REVENUE BONDS, SERIES 1988 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $694,925 (THE "SERIES 1988 A BONDS");

(3) SEWER REVENUE BONDS, SERIES 1989 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,013,841 (THE "SERIES 1989 A BONDS"); AND

(4) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 15, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,081,000 (THE "SERIES 1997 A BONDS"), (HEREINAFTER COLLECTIVELY, THE "FIRST LIEN BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT AND IN ALL RESPECTS WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS");

(2) SEWER REVENUE BONDS, SERIES 1988 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $173,731 (THE "SERIES 1988 B BONDS"); AND

(3) SEWER REVENUE BONDS, SERIES 1989 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,288 (THE "SERIES 1989 B BONDS") (HEREINAFTER COLLECTIVELY, THE "SECOND LIEN BONDS" AND COLLECTIVELY WITH THE FIRST LIEN BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the Second Lien Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2013 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for 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 or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond

Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2013 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the respective 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, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the DEP a schedule, the forms of which will be provided by the DEP, 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) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

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

(3) Series 2013 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with 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 1986 A Bonds Sinking Fund (established by Prior Resolutions);

(2) Series 1986 A Bonds Reserve Account (established by Prior Resolutions);

(3) Series 1986 B Bonds Sinking Fund (established by Prior Resolutions);

(4) Series 1986 B Bonds Reserve Account (established by Prior Resolutions);

(5) Series 1988 A Bonds Sinking Fund (established by Prior Resolutions);

(6) Series 1988 A Bonds Reserve Account (established by Prior Resolutions);

(7) Series 1988 B Sinking Fund (established by Prior Resolutions);

(8) Series 1988 B Reserve Account (established by Prior Resolutions);

(9) Series 1989 A Bonds Sinking Fund (established by Prior Resolutions);

(10) Series 1989 A Bonds Reserve Account (established by Prior Resolutions);

(11) Series 1989 B Sinking Fund (established by Prior Resolutions);

(12) Series 1989 B Reserve Account (established by Prior Resolutions);

(13) Series 1997 A Sinking Fund (established by Prior Resolutions);

(14) Series 1997 A Reserve Account (established by Prior Resolutions);

(15) Series 2013 A Bonds Sinking Fund; and

(16) Series 2013 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

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

(2) The Issuer shall next, transfer from the Revenue Fund and simultaneously remit (i) to the Commission, the amounts required to pay interest on the Series 1986 A Bonds, Series 1988 A Bonds and Series 1989 A Bonds as required by the Prior Resolutions and (ii) remit to the Commission, commencing 4 months prior to the first date of payment of interest of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and become due on the Series 2013 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly

payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) remit to the Commission, as appropriate, the amounts required to pay principal on the Series 1986 A Bonds, the Series 1988 A Bonds, the Series 1989 A Bonds, and the Series 1997 A Bonds, as required by the Prior Resolutions; and (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 A Bonds Sinking Fund and the next quarterly principal payment date is less than 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, each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the Prior Resolutions for deposit in the respective Reserve Accounts for the First Lien Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, if not fully funded upon issuance of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2013 A Bonds Reserve Requirement.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2 ½% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission the principal payments on the Series 1986 B Bonds, Series 1988 B Bonds and Series 1989 B Bonds as required by Prior Resolutions.

(7) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Reserve Account, the Series 1988 B Bonds Reserve Account and the Series 1989 B Bonds Reserve Account, the amount required by Prior Resolutions.

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

All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account, shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2013 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2013 A Bonds, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2013 A Bonds Reserve Account which result in a reduction in the balance therein to below the respective Reserve Requirements shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2013 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the requirement thereof.

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

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

The Commission is hereby designated as the fiscal agent for the administration of the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly

identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 A Bonds, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest, if any, and reserve account payments with respect to the Series 2013 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. 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 SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement for the Series 2013 A Bonds.

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

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

E. 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.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2013 A Bonds and the First Lien Bonds and senior and prior to the Second Lien Bonds before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2013 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2013 A Bonds, there shall first be deposited with the Commission in the Series 2013 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2013 A Bonds for the period commencing on the date of issuance of the Series 2013 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2013 A Bonds, there shall be deposited with the Commission in the Series 2013 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2013 A Bonds Reserve Account.

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

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2013 A Bonds shall be applied as directed by the DEP.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2013 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2013 A Bonds deposited in the Series 2013 A Bonds Construction Trust Fund shall be made only after submission to and approval from the DEP, of a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement for the Series 2013 A Bonds, in compliance with the construction schedule, and

Pending such application, monies in the Series 2013 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2013 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2013 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2013 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation.

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

Section 7.04. 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 shall provide an opinion of counsel to the Issuer of 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 Commission Order of the Public Service Commission of West Virginia dated July 24, 2012 in Case No. 12-0713-PSD-30B, and such rates are hereby adopted.

So long as the Series 2013 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2013 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2013 A Bonds and the Prior Bonds are outstanding and except as otherwise required by law or with the written consent of the DEP and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2013 A Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the DEP and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2013 A Bonds. Any balance remaining after the payment of the Series 2013 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2013 A Bonds and the First Lien Bonds. All obligations issued by the Issuer after the issuance of the Series 2013 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2013 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments

required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2013 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2013 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the DEP and 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 Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2013 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided.

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

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

So long as the Series 1986 A Bonds, Series 1986 B Bonds, Series 1988 A Bonds, Series 1988 B Bonds, Series 1989 A Bonds, Series 1989 B Bonds, Series 1997 A Bonds or Series 2013 A Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service

Commission of West Virginia, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2013 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2013 A Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the DEP and the Authority, 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 DEP and the Authority 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 DEP and the Authority, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the DEP, the Authority, or any other original purchaser of the Series 2013 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2013 A Bonds, requesting the same, an annual report containing the following:

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

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

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

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 and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2013 A Bonds, and shall submit said report to the DEP and the Authority, or any other original purchaser of the Series 2013 A Bonds. Such audit report submitted to the DEP and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall permit the DEP and the Authority, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after

completion of construction of the Project, the Issuer shall also provide the DEP and the Authority, 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 DEP and the Authority with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2013 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2013 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2013 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2013 A Bonds Reserve Account and the reserve accounts for obligations on a parity with or junior to the Series 2013 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2013 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2013 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the DEP and the Authority 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, 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. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the DEP and the Authority 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 DEP and the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the respective Loan Agreement, and forward a copy of such report to the DEP and 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP 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 DEP 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 DEP 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 SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement for the Series 2013 A Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP 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 DEP in writing of the certified operator employed at the 50% completion stage.

The Issuer shall serve the additional customers at the location(s) as set forth in the Certificate of Engineer. The Issuer shall 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 shall certify to the Authority the number of customers added to the System.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the

rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

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

Section 7.18. Reserved.

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

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

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the DEP, 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.

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 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 2013 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2013 A Bonds held in "contingency" as set forth in the schedules attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2013 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

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

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2013 A Bonds as a condition to issuance of the Series 2013 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2013 A Bonds as may be necessary in order to maintain the status of the Series 2013 A Bonds as public purpose bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2013 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2013 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2013 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2013 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2013 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2013 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2013 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond;

(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 the Prior Bonds.

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

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

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be

subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2013 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2013 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2013 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2013 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2013 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2013 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2013 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of

the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2013 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2013 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2013 A Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

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Adopted this 30th day of April, 2013.

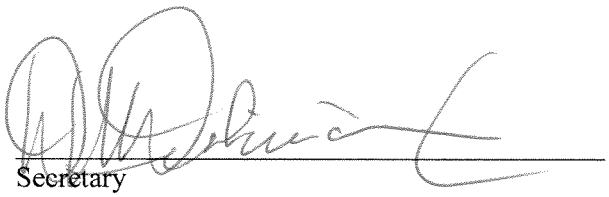
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of OHIO COUNTY PUBLIC SERVICE DISTRICT on the 30th day of April, 2013.

Dated: May 16, 2013.

[SEAL]



Secretary

670150.00002

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

Ohio County Public Service District
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF 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 SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), OF OHIO COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Ohio County Public Service District (the "Issuer") has duly and officially adopted a bond resolution on April 30, 2013 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,605,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Resolution when used herein;

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer (the "Series 2013 A Bonds"), in the aggregate principal amount not to exceed $1,605,000, and has authorized the execution and delivery of the Loan Agreement relating to the Series 2013 A Bonds, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection

(the "DEP") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 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 ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates, the sale prices and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF OHIO COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,605,000. The Series 2013 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2034, and shall bear interest at the rate of 2.0% per annum. The principal of the Series 2013 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2014, to and including June 1, 2034, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2013 A Bonds. The interest of the Series 2013 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2014 to and including June 1, 2034 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2013 A Bonds and incorporated in and made a part of the Series 2013 A Bonds. The Series 2013 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2013 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee of 1.0% of the principal amount of the Series 2013 A Bonds as set forth in the "Schedule Y" attached to the Loan Agreement.

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

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, 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 DEP and the Authority.

The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

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

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

Section 8. Series 2013 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2013 A Bonds Reserve Account to fund the Series 2013 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2013 A Bonds shall be deposited in or credited to the Series 2013 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2013 A Bonds and related costs.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about May 16, 2013, to the Authority pursuant to the Loan Agreement.

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

Section 12. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 30th day of April, 2013.

OHIO COUNTY PUBLIC SERVICE DISTRICT

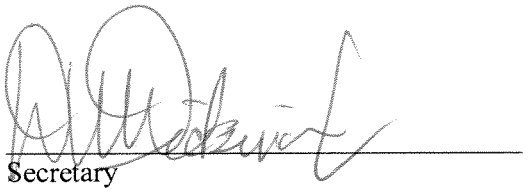
By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Ohio County Public Service District on the 30th day of April, 2013.

Dated: May 16, 2013.

[SEAL]



Secretary

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SRF-LP-1
(09/12)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

OHIO COUNTY PUBLIC SERVICE DISTRICT (2011S-1266/C-544479-01)
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP 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 DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

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

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment 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 Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a 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 DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government'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 Government, DEP 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 government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

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

1.3 "Decentralized System" means wastewater treatment systems that treat wastewater, then reusing and/or dispersing the reclaimed water, as close to where it is generated as practical in each circumstance. A Decentralized System may include: on-site systems contained entirely within the simple boundaries of the lot it serves; small-scale collective systems, with their reuse/dispersal sites on easements on the lots served, on vacant lots purchased for this purpose, on off-site properties, or a combination of these; larger scale collective systems utilizing dispersed or aggregated reuse/dispersal sites or discharging to surface water.

1.4 "Loan" means the loan to be made by the Authority and DEP to the Local Government 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 Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.6 "Local Bonds" means the revenue bonds to be issued by the Local Government 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 wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.10 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government 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 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.12 "System" means the wastewater treatment facility owned by the Local Government, 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 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 Government by the Consulting Engineers, the DEP 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 Government 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 Government 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 Government, 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 DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP 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 Government further agrees that the Authority and DEP 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 DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project, in accordance with generally accepted governmental accounting standards. The Local Government shall permit the Authority and DEP, 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 Government shall submit to the Authority and DEP 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 Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government 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 Government 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 Government 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 DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) 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 Government, 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 Government 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 Government 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 Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP 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, DEP and the Local Government 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 Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final or updated Operation and Maintenance Manual, if necessary as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to the Project being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System during the entire term of this Loan Agreement.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP 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 Government, 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 B and incorporated herein by reference, and forward a copy by the 20th of each month to DEP and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, 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 Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government 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 Government 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 Government 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 Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Government 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 DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(h) The Local Government 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 DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, 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 DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF 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 Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government 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 Government 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, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing."

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government'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 Government 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 such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government 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 Government 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 net or gross revenues 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 Government shall complete the Project and operate and maintain the System in good condition;

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

(vi) That the Local Government 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 Government 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 Government 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 Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and DEP 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 Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, 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 Government may authorize redemption of the Local Bonds with 30 days written notice to 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 Government 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 Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Government 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 Government 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP 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 Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

(xxi) That the Local Government shall submit all proposed change orders to the DEP for approval. The Local Government shall obtain the written approval of the DEP 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 Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Government 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 G.

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

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government 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 Government, the DEP 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 SRF 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 Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for 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 Government; Imposition and Collection of User Charges; Payments To Be Made by Local Government to the Authority

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

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government 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 Government hereby warrants and represents that all information provided to the Authority and DEP 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 DEP 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 DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government 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 SRF Regulations or this Loan Agreement.

6.3 The Local Government 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.

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

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

6.6 The Local Government hereby agrees to give the Authority and DEP 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 Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Government 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 Government 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 Government from either the Authority or DEP; or

(ii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or 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.

OHIO COUNTY PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: May 16, 2013

Attest:

_____
Its: Secretary

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: _____
Its: Director
Date: May 16, 2013

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: May 16, 2013

Attest:

Sheila A. Miller
Its: Authorized Officer

{C2576777.1}

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government
Name of Bond Issue(s)_____
Type of Project _____**Water**_____**Wastewater**
Fiscal Year _____**Report Month**_____

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government 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 Government 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 Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20th 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 C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), 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 the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the schematic design for the Project began [before July 1, 2012], (iii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set

forth in Schedule A attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (v) the successful bidders received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP 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 operation of the System; (x) 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; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xii) the Project design was performed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (xiii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

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

By _____
West Virginia License No.

[SEAL]

---

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

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

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking 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. ASSET MANAGEMENT – The Local Government shall submit an acceptable asset management plan or where applicable, updated plans, to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

C. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than 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 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

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

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, ____, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, 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 Government on _____, as supplemented by the supplemental

resolution duly adopted by the Local Government 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 Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

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

3. The Local Government 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 Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government 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 Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net

or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$1,605,000
Purchase Price of Local Bonds	$1,605,000

The Local Bonds shall bear interest at a rate of 2% per annum. Commencing September 1, 2014, principal and interest 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 and interest, if any, 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 DEP 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.

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:

(i) Ohio County Public Service District Sewer Revenue Bonds, Series 1986 A (West Virginia Water Development Authority), dated May 16, 1986, issued

in the original aggregate principal amount of $100,320 (the "Series 1986 A Bonds");

(ii) Ohio County Public Service District Sewer Revenue Bonds, Series 1988 A (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $694,925 (the "Series 1988 A Bonds");

(iii) Ohio County Public Service District Sewer Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $1,013,841 (the "Series 1989 A Bonds"); and

(iv) Ohio County Public Service District Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 15, 1997,issued in the original aggregate principal amount of $1,081,000 (the "Series 1997 A Bonds"), (hereinafter collectively, the "First Lien Bonds").

There are outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2013 A Bonds as to liens, pledge of and security for payment, being the Local Government's:

(i) Ohio County Public Service District Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $49,961 (the "Series 1986 B Bonds");

(ii) Ohio County Public Service District Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $173,731 (the "Series 1988 B Bonds"); and

(iii) Ohio County Public Service District Sewer Revenue Bonds, Series 1989 B (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $150,288 (the "Series 1989 B Bonds") (hereinafter collectively, the "Second Lien Bonds").

Number of New Customers: 107
Location: Dallas Pike Interchange Area

SCHEDULE Y
DEBT SERVICE SCHEDULE

Bond Debt Service
Ohio County PSD
CWSRF
$1,605,000, 20 years
2% Interest Rate, 1% Administrative Fee

Dated Date			5/16/2013	
Delivery Date			5/16/2013	

Period Ending	Principal	Coupon	Interest	Total Debt Service	Qtrly adm fee *	Total qtrly expense
6/1/2014						
9/1/2014	16,366	2.000%	8,025.00	24,391.00	2,164.38	26,555.38
12/1/2014	16,448	2.000%	7,943.17	24,391.17	2,164.38	26,555.55
3/1/2015	16,530	2.000%	7,860.93	24,390.93	2,164.38	26,555.31
6/1/2015	16,613	2.000%	7,778.28	24,391.28	2,164.38	26,555.66
9/1/2015	16,696	2.000%	7,695.22	24,391.22	2,164.38	26,555.60
12/1/2015	16,780	2.000%	7,611.74	24,391.74	2,164.38	26,556.12
3/1/2016	16,863	2.000%	7,527.84	24,390.84	2,164.38	26,555.22
6/1/2016	16,948	2.000%	7,443.52	24,391.52	2,164.38	26,555.90
9/1/2016	17,032	2.000%	7,358.78	24,390.78	2,164.38	26,555.16
12/1/2016	17,118	2.000%	7,273.62	24,391.62	2,164.38	26,556.00
3/1/2017	17,203	2.000%	7,188.03	24,391.03	2,164.38	26,555.41
6/1/2017	17,289	2.000%	7,102.02	24,391.02	2,164.38	26,555.40
9/1/2017	17,376	2.000%	7,015.57	24,391.57	2,164.38	26,555.95
12/1/2017	17,463	2.000%	6,928.69	24,391.69	2,164.38	26,556.07
3/1/2018	17,550	2.000%	6,841.38	24,391.38	2,164.38	26,555.76
6/1/2018	17,638	2.000%	6,753.63	24,391.63	2,164.38	26,556.01
9/1/2018	17,726	2.000%	6,665.44	24,391.44	2,164.38	26,555.82
12/1/2018	17,814	2.000%	6,576.81	24,390.81	2,164.38	26,555.19
3/1/2019	17,904	2.000%	6,487.74	24,391.74	2,164.38	26,556.12
6/1/2019	17,993	2.000%	6,398.22	24,391.22	2,164.38	26,555.60
9/1/2019	18,083	2.000%	6,308.25	24,391.25	2,164.38	26,555.63
12/1/2019	18,173	2.000%	6,217.84	24,390.84	2,164.38	26,555.22
3/1/2020	18,264	2.000%	6,126.97	24,390.97	2,164.38	26,555.35
6/1/2020	18,356	2.000%	6,035.65	24,391.65	2,164.38	26,556.03
9/1/2020	18,447	2.000%	5,943.87	24,390.87	2,164.38	26,555.25
12/1/2020	18,540	2.000%	5,851.64	24,391.64	2,164.38	26,556.02
3/1/2021	18,632	2.000%	5,758.94	24,390.94	2,164.38	26,555.32
6/1/2021	18,725	2.000%	5,665.78	24,390.78	2,164.38	26,555.16
9/1/2021	18,819	2.000%	5,572.15	24,391.15	2,164.38	26,555.53
12/1/2021	18,913	2.000%	5,478.06	24,391.06	2,164.38	26,555.44
3/1/2022	19,008	2.000%	5,383.49	24,391.49	2,164.38	26,555.87
6/1/2022	19,103	2.000%	5,288.45	24,391.45	2,164.38	26,555.83
9/1/2022	19,198	2.000%	5,192.94	24,390.94	2,164.38	26,555.32
12/1/2022	19,294	2.000%	5,096.95	24,390.95	2,164.38	26,555.33
3/1/2023	19,391	2.000%	5,000.48	24,391.48	2,164.38	26,555.86
6/1/2023	19,488	2.000%	4,903.52	24,391.52	2,164.38	26,555.90
9/1/2023	19,585	2.000%	4,806.08	24,391.08	2,164.38	26,555.46
12/1/2023	19,683	2.000%	4,708.16	24,391.16	2,164.38	26,555.54

Bond Debt Service

Ohio County PSD

CWSRF

$1,605,000, 20 years

2% Interest Rate, 1% Administrative Fee

Period Ending	Principal	Coupon	Interest	Total Debt Service	Qtrly adm fee *	Total qtrly expense
3/1/2024	19,782	2.000%	4,609.74	24,391.74	2,164.38	26,556.12
6/1/2024	19,880	2.000%	4,510.83	24,390.83	2,164.38	26,555.21
9/1/2024	19,980	2.000%	4,411.43	24,391.43	2,164.38	26,555.81
12/1/2024	20,080	2.000%	4,311.53	24,391.53	2,164.38	26,555.91
3/1/2025	20,180	2.000%	4,211.13	24,391.13	2,164.38	26,555.51
6/1/2025	20,281	2.000%	4,110.23	24,391.23	2,164.38	26,555.61
9/1/2025	20,382	2.000%	4,008.83	24,390.83	2,164.38	26,555.21
12/1/2025	20,484	2.000%	3,906.92	24,390.92	2,164.38	26,555.30
3/1/2026	20,587	2.000%	3,804.50	24,391.50	2,164.38	26,555.88
6/1/2026	20,690	2.000%	3,701.56	24,391.56	2,164.38	26,555.94
9/1/2026	20,793	2.000%	3,598.11	24,391.11	2,164.38	26,555.49
12/1/2026	20,897	2.000%	3,494.15	24,391.15	2,164.38	26,555.53
3/1/2027	21,002	2.000%	3,389.66	24,391.66	2,164.38	26,556.04
6/1/2027	21,107	2.000%	3,284.65	24,391.65	2,164.38	26,556.03
9/1/2027	21,212	2.000%	3,179.12	24,391.12	2,164.38	26,555.50
12/1/2027	21,318	2.000%	3,073.06	24,391.06	2,164.38	26,555.44
3/1/2028	21,425	2.000%	2,966.47	24,391.47	2,164.38	26,555.85
6/1/2028	21,532	2.000%	2,859.34	24,391.34	2,164.38	26,555.72
9/1/2028	21,640	2.000%	2,751.68	24,391.68	2,164.38	26,556.06
12/1/2028	21,748	2.000%	2,643.48	24,391.48	2,164.38	26,555.86
3/1/2029	21,856	2.000%	2,534.74	24,390.74	2,164.38	26,555.12
6/1/2029	21,966	2.000%	2,425.46	24,391.46	2,164.38	26,555.84
9/1/2029	22,076	2.000%	2,315.63	24,391.63	2,164.38	26,556.01
12/1/2029	22,186	2.000%	2,205.25	24,391.25	2,164.38	26,555.63
3/1/2030	22,297	2.000%	2,094.32	24,391.32	2,164.38	26,555.70
6/1/2030	22,408	2.000%	1,982.84	24,390.84	2,164.38	26,555.22
9/1/2030	22,520	2.000%	1,870.80	24,390.80	2,164.38	26,555.18
12/1/2030	22,633	2.000%	1,758.20	24,391.20	2,164.38	26,555.58
3/1/2031	22,746	2.000%	1,645.03	24,391.03	2,164.38	26,555.41
6/1/2031	22,860	2.000%	1,531.30	24,391.30	2,164.38	26,555.68
9/1/2031	22,974	2.000%	1,417.00	24,391.00	2,164.38	26,555.38
12/1/2031	23,089	2.000%	1,302.13	24,391.13	2,164.38	26,555.51
3/1/2032	23,205	2.000%	1,186.69	24,391.69	2,164.38	26,556.07
6/1/2032	23,321	2.000%	1,070.66	24,391.66	2,164.38	26,556.04
9/1/2032	23,437	2.000%	954.06	24,391.06	2,164.38	26,555.44
12/1/2032	23,554	2.000%	836.87	24,390.87	2,164.38	26,555.25
3/1/2033	23,672	2.000%	719.10	24,391.10	2,164.38	26,555.48
6/1/2033	23,791	2.000%	600.74	24,391.74	2,164.38	26,556.12
9/1/2033	23,909	2.000%	481.79	24,390.79	2,164.38	26,555.17
12/1/2033	24,029	2.000%	362.24	24,391.24	2,164.38	26,555.62
3/1/2034	24,149	2.000%	242.10	24,391.10	2,164.38	26,555.48
6/1/2034	24,270	2.000%	121.35	24,391.35	2,164.38	26,555.73
	1,605,000		346,299.57	1,951,299.57	173,150.40	2,124,449.97

* A quarterly administrative fee of $2,164.38 results in a total administrative fee of $173,150.40 over the life of the loan.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 27th day of March 2013.

CASE NO. 12-1410-PSD-CN

OHIO COUNTY PUBLIC SERVICE DISTRICT
Application for a certificate of convenience and necessity to construct a sanitary sewer main extension to the Dallas Pike area in the County of Ohio and Motion for Expedited Treatment.

COMMISSION ORDER
WAIVING EXCEPTION PERIOD

On March 22, 2013, the Administrative Law Judge entered a Recommended Decision that granted the Ohio County Public Service District (Ohio County) a certificate of convenience and necessity to construct an extension of its existing sanitary sewage collection system (Project), to become effective on and after the date that the Recommended Decision becomes a final order of the Commission.

On March 26, 2013, Ohio County filed a petition to waive the fifteen-day period of time in which a party may file exceptions to the Recommended Decision in this proceeding, as provided in W. Va. Code §24-1-9, so that it can close on the Project financing, and award a contract for the Project as soon as practical.

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

IT IS THEREFORE ORDERED that the requested waiver is granted.

IT IS FURTHER ORDERED that the Administrative Law Judge March 22, 2013 Recommended Decision in this matter becomes final five days after the date of this Order, absent further action by the Commission.

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

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

SS/kc
121410sa.doc

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
4/1/2013
Per Commission
Order Waiving the
Exception Period

Entered: March 22, 2013

CASE NO. 12-1410-PSD-CN

OHIO COUNTY PUBLIC SERVICE DISTRICT,
Application for a certificate of convenience and necessity to construct a sanitary sewer main extension to the Dallas Pike area in the County of Ohio and Motion for Expedited Treatment.

RECOMMENDED DECISION

This Recommended Decision grants the application filed by the Ohio County Public Service District for a certificate of convenience and necessity to construct a sewer main extension to the Dallas Pike area in the County of Ohio and approves the proposed financing.

PROCEDURE

On October 9, 2012, the Ohio County Public Service District (Applicant/District), Tridelphia, Ohio County, West Virginia, filed a duly-verified application with the Public Service Commission of West Virginia (Commission) for a certificate of convenience and necessity to construct an extension of its existing eight-inch (8") sewer force main to the Dallas Pike area in Ohio County, West Virginia, to furnish sanitary sewer service to thirteen (13) commercial and industrial customers in the area, including the collection and transportation of wastewater to the City of Wheeling treatment facilities. Currently, the Dallas Pike Industrial Park is served by a wastewater package treatment plant, owned and operated by the District. Other portions of the Dallas Pike area are not currently served by public sanitary sewers. In lieu of treatment at the existing package treatment plant, wastewater will be collected and transported through the new sanitary sewer force main extension and flow will be transported to the City of Wheeling's treatment plant. The District is a wastewater treatment resale customer of the City of Wheeling. The District's application states that commercial customers at eleven (11) service locations have entered into user agreements. The District anticipates that it will receive approval of a State Revolving Fund loan in the amount of $1,605,000, at an annual interest rate of 2% and an annual administrative fee of 1%. The District filed a Rule 42 Exhibit which demonstrated that no additional increases in its rates, charges or tolls would be required to fund the debt service on the State Revolving Fund loan for this project.

The District explained that the certificate application should be approved and a certificate of convenience and necessity for the project granted "(i) to extend service to new customers; (ii) to prevent pollution from private treatment facilities that do not comply with government standards; (iii) to enable customers to comply with regulatory enforcement actions; (iv) to provide wastewater treatment by collecting and transporting wastewater from the greater Dallas Pike area to the City of Wheeling's treatment plant; (v) to discontinue treatment of wastewater by less effective, less efficient, and more costly private systems; (vi) to discontinue treatment of wastewater by the applicant's aging wastewater treatment package plant, which presently serves the Dallas Pike Industrial Park; and (vii) to provide additional capacity for the collection and transportation of the wastewater in the Dallas Pike area to accommodate and facilitate anticipated commercial and industrial growth in the area."

The District also requested expedited treatment of its application to facilitate construction of the proposed facilities so that prospective customers will be able to fully comply with enforcement actions and avoid future enforcement actions arising from noncompliant private systems. The District stated that, "Issuance of a certificate on an expedited basis will reduce the duration that noncompliant or inadequate private treatment systems are in operation. The longer the private systems remain in use, the greater the risk that the systems fail and discharge effluent that is deleterious to groundwater and public health. The sooner the project facilities are constructed, the sooner discharge from inadequate private systems will be eliminated." The District also suggested that, "Enforcement actions and public health interests warrant treating the Application on an expedited basis."

On October 9, 2012, the Commission issued a Notice of Filing Order. The Applicant was ordered to give notice of the filing of the certificate application by publishing a copy of the Notice of Filing one time in a qualified newspaper, as provided in W. Va. Code §59-3-1 et seq., published and of general circulation in the county (or counties) where service is provided, and to make due return to the Commission of proper certification of publication within thirty (30) days from the date of publication. The Notice of Filing provided for a thirty (30) day period for the filing of written protests and requests for intervention. The Notice stated that, "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." It also stated that, "In the absence of substantial protest received within thirty (30) days of this publication, the Commission may waive formal hearing and render its decision on the application based on the evidence submitted with the application and the Commission's review thereof."

On October 29, 2012, the District submitted its Certificate of Publication of Notice of Filing. An affidavit of publication was filed from the *Intelligencer*, a newspaper published in the City of Wheeling, West Virginia, which established that the Notice of Filing was published therein as a Class I legal advertisement on October 16, 2012. An affidavit of publication was also filed from the *Moundsville Daily Echo*, a newspaper published in the municipality of Moundsville, Marshall County, West Virginia, which certified that the Notice of Filing was published therein as a legal advertisement on October 15, 2012.

On November 13, 2012, Staff Attorney John Auville of the Commission's Legal Division filed the Initial Joint Staff Memorandum along with the Utilities and Engineering Divisions Initial Memorandum, prepared by Utilities Analyst Brian Dworsky of the Commission's Utilities Division and Technical Analyst Jim Spurlock of the Commission's Engineering Division. Technical Staff noted that no funding commitment letters were included with the District's filing and no cash flow statement showing the financial position of the District at per books, going-level and pro forma was provided with the District's Rule 42 Exhibit. Commission Staff requested that the District provide the funding commitment letters and the cash flow statement for the proposed project. Technical Staff indicated that it would continue its review of this matter and a final written recommendation would be filed in a timely manner. Staff Attorney Auville recommended that the case be referred to the Division of Administrative Law Judges for resolution.

On November 14, 2012, the District filed a certificate of separate mailing of Notice of Filing to Sewer Customers. The certificate stated that, "the Applicant separately mailed the attached *Notice of Filing*, Form No. 14, to each of its sewer customers on the 25th day of October, 2012, as required by Rule 10, which said Notice contained a typographical error that incorrectly identified the case number as 12-1401-PSD-CN instead of 12-1410-PSD-CN."

On November 26, 2012, the District filed Exhibit C-1 to the District's certificate application, which represented replacement pages for Exhibit C, including a cash flow statement showing per books, going-level, and pro forma. These documents were submitted in response to the Initial Joint Staff Memorandum in which Commission Staff noted the absence of the final funding commitment letter for the project and a cash flow statement showing the financial position of the District on per books, going-level, and pro forma bases. The District advised that the funding commitment letter would be filed upon its receipt.

By Commission Referral Order entered on November 27, 2012, this case was referred to the Division of Administrative Law Judges for a decision to be rendered on or before March 25, 2013.

On December 20, 2012, the District filed a copy of the Binding Commitment letter from Kathryn Emery, P.E., Program Manager, Clean Water State Revolving Fund, dated November 26, 2012, for the District's Dallas Pike Project, SRF No. C-544373-01.

On January 7, 2013, Staff Attorney Auville filed the Final Joint Staff Memorandum along with the Utilities and Engineering Divisions Final Recommendation, prepared by Mr. Dworsky of the Commission's Utilities Division and Technical Analyst Jim Spurlock of the Commission's Engineering Division. Staff reported that the District proposed to construct approximately 18,600 feet of force main range in size from 8-inch to 3-inch in diameter, one (1) lift station and related appurtenances. Staff stated that the new sewer mains will tie into the District's existing 15-inch gravity main for transport to the City of Wheeling's wastewater treatment plant. Staff also reported that the City of Wheeling has certified that adequate treatment capacity exists at its existing wastewater treatment facility for the anticipated flows from the District's Dallas Pike extension project. Staff also stated that the proposed commercial customers have entered into

user's agreements with the District under which the proposed commercial customers will construct customer service lines and lift stations, per the District's specifications, necessary to connect to the new system. The lift stations and discharges will be turned over to the District upon completion.

Technical Staff analyzed the project cost of $1,605,000 and concluded that it appeared reasonable given the scope of the construction. Technical Staff determined that the cost per customer was approximately $123,462. However, Technical Staff also determined that the prospective customers are large commercial and industrial customers with an anticipated combined annual sewage flow of 23,537 M gallons. This combined sewage flow would be the equivalent of over 400 residential customers in terms of usage. Staff also noted that over one hundred (100) additional commercial and residential customers may eventually be served by the project.

Technical Staff determined that the District's operation and maintenance costs are estimated to increase by $50,753 annually as a result of the proposed extension and concluded that the estimated increase appeared to be reasonable. The Engineering Division stated that its review of the District's plans and specifications for the project did not reveal any conflicts with the Public Service Commission's rules and regulations.

The Engineering Division noted that the engineering costs for the project totaled $246,000, which was equal to 25.9% of the project construction cost of $951,000. Technical Staff concluded that the engineering costs were "on the high end of guidelines of the American Society of Civil Engineers Manual of Practice."

Regarding need for the proposed project, Commission Staff stated that the proposed project will extend wastewater collection and treatment services to thirteen (13) commercial and industrial customers in the Dallas Pike area of Ohio County, West Virginia. Commission Staff noted that, "With the exception of the Dallas Pike Industrial Park, which is currently served by a District-owned package treatment plant, the proposed customers have private wastewater treatment systems. These systems are the subject of enforcement actions, including fines, issued by the West Virginia Department of Environmental Protection."

The Commission's Utilities Division Staff noted that the project is to be financed by a Clean Water State Revolving Fund Program loan in the amount of $1,605,000, at an annual interest rate of 2% with a 1% annual administrative fee. The District did not propose an increase in rates to fund the debt service on the State Revolving Fund loan for this project. Commission Staff prepared a cash flow analysis using data contained within the District's Rule 42 Exhibit. Based on the District's rates, Commission Staff determined that the District's sales revenues will increase by $169,586, or 12.34% over going-level. The project loan adds additional debt service requirements of $97,433 and additional reserve requirements of $14,064. Commission Staff determined that the District will have a total surplus of $213,208 and 184.55% debt service coverage post-project.

Commission Staff recommended:

(1) Pursuant to West Virginia Code §24-2-11 and 16-13A-25, the Ohio County Public Service District's application for a certificate of convenience and necessity to construct an extension of its existing sanitary sewer collection system in the greater Dallas Pike area of Ohio County, West Virginia, to serve approximately thirteen (13) large commercial and industrial customers, at an estimate cost of $1,605,000, as described in the application, be granted;

(2) Approval of the proposed project financing, consisting of a West Virginia Department of Environmental Protection Clean Water State Revolving Fund loan of $1,605,000, at an annual interest rate of 2%, with an annual administrative fee of 1%, for a term of twenty (20) years;

(3) If there are any changes in the plans or scope of the project, the District must seek Commission approval of such changes. Furthermore, if there are changes in the rates to be charged associated with the project, the District must also seek Commission approval of such changes. Finally, provided project-related rates remain unchanged, it is not necessary for the District to seek further Commission approval of changes in project costs or financing. However, under such circumstances, the District should be required to file an affidavit executed by its certified public accountant verifying that its rates and charges are not affected;

(4) The District promptly file a copy of the engineer's certified tabulation of bids for all contracts associated with this project; and

(5) The District promptly file a copy of the "Certificate of Substantial Completion" for all contracts associated with this project.

DISCUSSION

Commission Staff recommended approval of the Ohio County Public Service District's certificate application and that recommendation, along with several additional recommendations, was clearly set forth in the Final Joint Staff Memorandum, along with the attached Staff reports. The Staff memoranda and reports were sent by mail to the Ohio County Public Service District on January 7, 2013. No response to the Final Joint Staff Memorandum was received from the District.

Furthermore, the record reflects that the Notice of Filing was properly published as a Class I legal notice, as directed in the Commission's October 9, 2012 Order. The Notice of Filing required that public protests or requests for intervention regarding the certificate application filed by the Ohio County Public Service District be filed with the Public Service Commission within thirty (30) days of the date of publication of the Notice of Filing. The Ohio County Public Service District subsequently filed affidavits of publication demonstrating that publication of the Notice of Filing occurred on October 16, 2012, in the *Intelligencer* and on October 15, 2012, in the *Moundsville Daily Echo*. The record reflects that no public protests and no requests to intervene were filed in this matter during the thirty (30) day public protest period or as of the

date of this Order. Therefore, it is reasonable to conclude that there is no objection from the public to the issuance of a certificate of convenience and necessity for the Ohio County Public Service District to construct the extension of its existing sanitary sewage collection system to provide service in the greater Dallas Pike area of Ohio County, West Virginia, as specifically described in the District's certificate application.

FINDINGS OF FACT

1. The Ohio County Public Service District filed an application with the Public Service Commission of West Virginia for a certificate of convenience and necessity to construct an extension of its existing sanitary sewage collection system in the greater Dallas Pike area of Ohio County, West Virginia. (See, certificate application filed October 9, 2012).

2. The total project has been estimated to cost $1,605,000. (See, certificate application filed October 9, 2012).

3. The Ohio County Public Service District published the Notice of Filing regarding this certificate application in the *Intelligencer,* a newspaper published at Wheeling, Ohio County, West Virginia, on October 16, 2012. (See, October 29, 2012 filing).

4. The Ohio County Public Service District also published the Notice of Filing regarding this certificate application in the *Moundsville Daily Echo,* a newspaper published at Moundsville, Marshall County, West Virginia, on October 15, 2012. (See, October 29, 2012 filing).

5. No protests or requests to intervene were filed with the Public Service Commission, either within the thirty (30) day period permitted by the Notice of Filing or as of the date of the issuance of this Order. (See, Commission Notice of Filing Order issued October 9, 2012; case file generally).

6. The project will be financed through a West Virginia Department of Environmental Protection Clean Water State Revolving Fund loan in the amount of $1,605,000.00, at an annual interest rate of 2%, with an annual administrative fee of 1.0%, for a term of twenty (20) years. The funding has been committed. (See, certificate application filed October 9, 2012 filing; December 12, 2012 filing).

7. The project will provide sanitary sewer service to thirteen (13) commercial and industrial customers in the greater Dallas Pike area of Ohio County, West Virginia, and will replace an existing package wastewater treatment plant located at the Dallas Pike Industrial Park which has been the subject of enforcement actions, including fines, issued by the West Virginia Department of Environmental Protection. (See, Final Joint Staff Memorandum and Utilities and Engineering Divisions Final Recommendation filed January 7, 2013).

8. Operation and maintenance expenses are estimated to increase by $50,753 annually as a result of the District's proposed project. (See, Final Joint Staff Memorandum and Utilities and Engineering Divisions Final Recommendation, filed January 7, 2013).

9. No rate increase to support the proposed project was included in the Ohio County Public Service District's certificate application because the District's current rates, which were approved by Order of the Public Service Commission, dated July 24, 2012, in Case No. 12-0713-PSD-30B, are adequate to support the project. (See, Final Joint Staff Memorandum and Utilities and Engineering Divisions Final Recommendation, filed January 7, 2013).

10. Staff's cash flow analysis for the Ohio County Public Service District's certificate application demonstrated that the revenues generated as a result of this proposed extension of its sanitary sewage collection system will leave the District with a total surplus of $213,208 and a debt service coverage ratio of 184.55%, post-project. (See, Final Joint Staff Memorandum and Utilities and Engineering Divisions Final Recommendation, filed January 7, 2013).

11. Commission Staff recommended that a certificate of convenience and necessity be granted for the District's proposed project, with certain conditions, and that the proposed funding from the West Virginia Department of Environmental Protection Clean Water State Revolving Fund be approved. (See, Final Joint Staff Memorandum and Utilities and Engineering Divisions Final Recommendation, filed January 7, 2013).

12. Ohio County Public Service District did not respond or object to Commission Staff's recommendation that the certificate application be approved and a certificate of convenience and necessity granted. (See, case file generally).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the wastewater system extension described by the Ohio County Public Service District in its certificate application filed on October 9, 2012.

2. It is reasonable to grant the Ohio County Public Service District's application for a certificate of public convenience and necessity to construct an extension of its existing sanitary sewage collection system in the greater Dallas Pike area of Ohio County, West Virginia, as described in its certificate application.

3. The proposed funding for the project, consisting of a loan in the amount of $1,605,000 from the West Virginia Department of Environmental Protection Clean Water State Revolving Fund at an annual interest rate of 2.0%, with an annual administrative fee of 1.0%, for a term of twenty (20) years, is reasonable and is sufficient to cover the cost of the project, at its current cost estimates.

4. The Ohio County Public Service District's existing rates appear to be sufficient to cover all project-related costs, as well as its going-level operations.

5. A certificate of convenience and necessity should be granted to the Ohio County Public Service District for the project specified herein, without specifically approving the project's plans and specifications.

ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on October 9, 2012, by the Ohio County Public Service District, for a certificate of convenience and necessity to construct an extension of its existing sanitary sewage collection system in the greater Dallas Pike area of Ohio County, West Virginia, as described in its certificate application, at a total project cost of $1,605,000, be, and hereby is, granted.

IT IS FURTHER ORDERED that the District's proposed financing for the project, consisting of a loan in the amount of $1,605,000, from the West Virginia Department of Environmental Protection Clean Water State Revolving Fund, at an annual interest rate of 2.0%, with an annual administrative fee of 1.0%, for a term of twenty (20) years, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Ohio County Public Service District file a copy of the engineer's certified tabulation of bids for each construction contract or vendor bid contract awarded for this project, within ten (10) days of the bid opening date.

IT IS FURTHER ORDERED that the Ohio County Public Service District submit a certificate of substantial completion for each construction contract involved in this project, within ten (10) days of its issuance.

IT IS FURTHER ORDERED that, should there be any changes in the scope, plans or financing of the project, or if a change in project cost affects the rates for the project, the Ohio County Public Service District obtain Commission approval of such changes, prior to commencing construction.

IT IS FURTHER ORDERED that, if there is a change in project cost that does not affect rates, the Ohio County Public Service District is not required to obtain Commission approval of such change. However, the District shall, in such case, file an affidavit with the Commission, duly executed by its Certified Public Accountant, verifying that rates are not affected.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the Ohio County 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.

IT IS FURTHER ORDERED that the Executive Secretary's Office serve a copy of this Recommended Decision upon all parties by electronic service, if they have filed an e-service agreement with the Commission; by United States Certified Mail, return receipt requested, if they have not filed an e-service agreement with the Commission; and upon Commission Staff by hand delivery.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this 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 order by filing an appropriate petition in writing with the Executive Secretary. No such waiver will be effective until approved by order of the Commission.

Cecelia Gail Jarrell

Cecelia Gail Jarrell
Administrative Law Judge

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 24th day of July 2012.

CASE NO. 12-0713-PSD-30B

OHIO COUNTY PUBLIC SERVICE DISTRICT,
a public utility, Triadelphia, Ohio County.
Rule 30B application to increase sewer rates and charges

COMMISSION ORDER

On May 31, 2012, the Ohio County Public Service District (Ohio County), a public utility, filed a request to increase its sewer rates and charges, pursuant to Rule 30B of the Commission Rules for the Construction and Filing of Tariffs (Tariff Rules), 150 C.S.R. Series 2. Ohio County purchases sewage treatment from the City of Wheeling (Wheeling) and the Town of Triadelphia (Triadelphia). Triadelphia in turn purchases sewage treatment from Wheeling. Ohio County seeks an increase in its rates to offset an increase in the rates for purchased sewage treatment provided by Wheeling. Wheeling was granted a two-step increase in Case No. 11-1772-S-MA. The initial increase became effective May 19, 2012, and increased resale rates from $1.84 to $1.85 per thousand gallons of metered sewage treatment (Step One). The second increase (Step Two) will become effective on substantial completion of the project approved in Case No. 09-0752-S-CN, City of Wheeling, and will further increase resale rates to $2.17 per thousand gallons of metered sewage treatment.

Ohio County filed amended tariff sheets with its application reflecting these increased costs.

Ohio County made publication on May 31, 2012, in The Moundsville Daily Echo (Marshall County) and on June 4, 2012, in The Intelligencer (Ohio County), as required by Tariff Rule 13.1.b. The notices advised that the increased rates would become effective June 20, 2012, unless otherwise ordered by the Commission. The notice also advised that residential customers would experience a $0.28, or 0.58 percent increase in Step One, and a $2.39, or 5.00 percent increase in Step Two. Commercial and Industrial customers could expect an increase of $2.15, or 0.66 percent in Step One and an $18.15, or 5.57 percent increase in Step Two. No protests have been received by the Commission.

On June 27, 2012, Commission Staff filed an Initial and Final Joint Staff Memorandum and included proposed tariff sheets. Staff recommended the Commission approve an increase of $0.01, from $2.17 to $2.18 per thousand gallons, for Step One. Staff also recommended the leak adjustment rate be decreased from $2.99 to $2.64 per thousand gallons. In Step One, the average domestic customer will experience a $0.06, or 0.11 percent increase monthly and the average commercial customer will experience a $0.48, or 0.14 percent monthly increase.

Staff also recommended an increase to become effective on substantial completion of the project approved for Wheeling in Case No.09-0752-S-CN. Staff recommended a $0.34 increase in Step Two, from $2.18 to $2.52 per thousand gallons. Staff also recalculated the leak adjustment rate and recommended an increase from $2.64 to $2.98 per thousand gallons. In Step Two, the average domestic customer will experience a $1.94, or 3.9 percent monthly increase, and the average commercial customer will experience a $16.25, or 4.74 percent monthly increase. Staff finally recommended the Commission approve the Staff-proposed tariffs for Step One and Step Two.

DISCUSSION

The Commission concludes that the Staff-proposed increases of $0.01 for Step One and $0.34 for Step Two accurately reflect the increased cost to Ohio County for purchases of sewage treatment from Wheeling. The Commission also concludes that the recalculations of the leak adjustment rate are proper and should be approved.

Because Ohio County has published a larger increase than was recommended by Staff and there have been no protests, the Commission finds it reasonable and appropriate to approve the Staff recommended increases for Steps One and Two, on a final basis.

FINDINGS OF FACT

1. Ohio County filed a request to increase its sewer rates and charges to offset the cost of purchasing sewage treatment from Wheeling.

2. On June 18, 2012, Ohio County filed affidavits evidencing that publication was made in Marshall and Ohio Counties.

3. The published notice advised that residential customers would experience a $0.28 increase in Step One, and a $2.39 increase in Step Two. Commercial customer rates would increase by $2.15 in Step One and $18.15 in Step Two.

4. No protests have been filed.

5. Staff recommended a $0.01 increase in rates and a decrease in the leak adjustment rate to $2.64 per thousand gallons for Ohio County, in Step One, to be effective immediately.

6. Staff recommended a $0.34 increase in rates and an increase in the leak adjustment rate to $2.98 per thousand gallons, in Step Two, to become effective on substantial completion of the project approved for Wheeling in Case No.09-0752-S-CN.

CONCLUSIONS OF LAW

1. Because Ohio County has published a higher increase than Staff recommended and no protests have been received, the Commission should approve the Staff-proposed increase of $0.01 per thousand gallons to be added to the rates of Ohio County to offset its cost of sewage treatment provided by Wheeling. These rates are set out in Appendix A, and are to become effective immediately.

2. The Commission should also approve the Staff-proposed increase of $0.34 per thousand gallons to be added to the rates of Ohio County, and the increased leak adjustment rate, to become effective on substantial completion of the project approved for Wheeling in Case No. 09-0752-S-CN.

ORDER

IT IS THEREFORE ORDERED that the Tariff Rule 30-B application, filed by Ohio County Public Service District on May 31, 2012, seeking an increase in its sewer rates and charges is hereby approved. The increased rates and charges, attached as Appendix A, shall become effective for all bills rendered on and after the date of this Order.

IT IS FURTHER ORDERED that the rates and charges proposed by Staff for Step Two are approved. These rates, attached as Appendix B, shall become effective for all service rendered on and after the date the City of Wheeling files a certificate of substantial completion for the project approved in Case No. 09-0752-S-CN.

IT IS FURTHER ORDERED that within thirty days of the date of this Order, the Ohio County Public Service District shall file an original and six copies of a revised tariff setting forth the new rates and charges.

IT IS FURTHER ORDERED that, upon entry hereof, this proceeding shall be removed from the Commission active docket of cases.

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

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

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OHIO COUNTY PUBLIC SERVICE DISTRICT
CASE NO. 12-0713-PSD-30B

APPROVED TARIFF
(to be effective immediately)

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

(I) RATES

Service Charge	$9.96 per month
Usage Charge	$6.97 per 1,000 gallons of water usage per month

(C) MINIMUM CHARGE

No bill will be rendered for less than $16.92 per month.

The above minimum charge is subject to an additional $.01 per 1,000 gallons of water used per month.

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

Equivalent of 4,500 gallons of water usage, $41.33 per month

DELAYED PAYMENT PENALTY

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

TAP FEE

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

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEE

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Wheeling and the Town of Triadelphia, a disconnection fee of $20.00 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of $20.00 shall be charged. Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Wheeling and the Town of Triadelphia, is reconnected, a reconnection fee of $20.00 shall be charged.

(D) LEAK ADJUSTMENT

$2.64 per 1,000 gallons is to be used when the bill reflects unusual consumption-which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

RETURN CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of twenty-five ($25) will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

(N) SECURITY DEPOSIT

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

MUNICIPAL EXCISE TAX SURCHARGE

The municipalities listed below, having imposed public utility tax computed on the-basis of two percent (2%) of revenues, from sewer service sales by the sewer utility within the corporate limits of such municipalities, shall be billed as a "surcharge" to the customers receiving service within said corporate limits.

The sewer utility is required to collect the utility tax pursuant to West Virginia Code 8-13-5a.

Customers receiving sewer service within the corporate limits of the specified-municipality shall pay a surcharge bas on the following surcharge rates:

Municipality	Utility Excise Tax	
	Local Tax Rate	Surcharge Rate
Valley Grove	.02	.02
West Liberty	.02	.02

(C) Indicates change in text
(I) Indicates increase
(D) Indicates decrease
(N) Indicates new

SCHEDULE 2

SURFACE OR GROUND WATER SURCHARGE

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

S = A x R x .0006233 x C

S = the surcharge in dollars

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

R = the measured monthly rainfall as determined by the National Weather Service

C= the customer usage charge for the area in which the customer is located

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

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

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

OHIO COUNTY PUBLIC SERVICE DISTRICT
CASE NO. 12-0713-PSD-30B

APPROVED TARIFF
(to be effective on substantial completion of the project approved in Case No. 09-0752-S-CN, City of Wheeling)

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

(I) RATES

Service Charge	$9.96 per month
Usage Charge	$7.31 per 1,000 gallons of water usage per month

(C) MINIMUM CHARGE

No bill will be rendered for less than $16.92 per month.

The above minimum charge is subject to an additional $.35 per 1,000 gallons of water used per month.

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

Equivalent of 4,500 gallons of water usage, $42.86 per month

DELAYED PAYMENT PENALTY

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

TAP FEE

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

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEE

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Wheeling and the Town of Triadelphia, a disconnection fee of $20.00 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of $20.00 shall be charged. Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Wheeling and the Town of Triadelphia, is reconnected, a reconnection fee of $20.00 shall be charged.

(I) LEAK ADJUSTMENT

$2.98 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

RETURN CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of twenty-five ($25) 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, of fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

MUNICIPAL EXCISE TAX SURCHARGE

The municipalities listed below, having imposed public utility tax computed on the basis of two percent (2%) of revenues, from sewer service sales by the sewer utility within the corporate limits of such municipalities, shall be billed as a "surcharge" to the customers receiving service within said corporate limits.

The sewer utility is required to collect the utility tax pursuant to West Virginia Code 8-13-5a.

Customers receiving sewer service within the corporate limits of the specified municipality shall pay a surcharge bas on the following surcharge rates:

Municipality	Utility Excise Tax	
	Local Rate	Surcharge Rate
Valley Grove	.02	.02
West Liberty	.02 -	.02

SCHEDULE 2

SURFACE OR GROUND WATER SURCHARGE

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

S = A x R x .0006233 x C

S = the surcharge in dollars

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

R = the measured monthly rainfall as determined by the National Weather Service

C = the customer usage charge for the area in which the customer is located

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

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

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

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 1st day of September 2011.

CASE NO. 11-0902-PSD-PC

OHIO COUNTY PUBLIC SERVICE DISTRICT
a public utility, Triadelphia, Ohio County.
Petition for consent and approval of Alternate Main Extension and Transfer Agreement between the District and Quadrant 11, LLC.

COMMISSION ORDER

The Commission approves an alternate mainline extension agreement.

BACKGROUND

On June 24, 2011, the Ohio County Public Service District (District) filed an application for consent and approval of an alternate mainline extension agreement (Agreement) between the District and Quadrant 11, LLC (Developer).

The District and the Developer have negotiated the terms of the Agreement to construct a segment of 8-inch sewer force main, approximately 1,600 feet in length, connecting the District's existing gravity sewer main at Middle Creek to the eight-inch main previously constructed by the Ohio County Development Authority (Authority) under a different alternate main line extension agreement. The Agreement also provides for the construction of a 1,300 foot segment of eight-inch sewer force main connecting to the portion of eight-inch force main constructed by the Authority along Gantzer's Road. Application, p. 1-2.

The District is seeking funds to extend the eight-inch gravity force main in the Dallas Pike area to the east of the economic development area known as the Highlands, so that prospective commercial, industrial, and business customers in the Dallas Pike area using systems that are out of compliance with West Virginia Department of Environmental Protection requirements may tie into the District system. The Developer will construct the portion of the extension contained in the Agreement at its own expense in order to pursue development opportunities, including the development of a hotel site in the immediate vicinity of the Highlands. Application, p. 2.

The Developer will substantially complete the extension of the eight-inch sewer force main to the Highlands, at a cost not to exceed $125,000. In accordance with the Agreement, the District will reimburse the Developer for the cost of the extension necessary for the District project, provided the District secures sufficient funding and all required approvals and is otherwise legally permitted to reimburse. Application, p. 3.

On July 28, 2011, Commission Staff filed an Initial and Final Joint Staff Memorandum recommending approval of the Agreement subject to (i) the addition of a statement that the Developer will grant the District the necessary easements to operate maintain and repair the extension to Section 3. Permits and Easements, (ii) the addition of Rule 5.5.h.10.c of the Commission Rules and Regulations for the Government of Sewer Utilities to Section 9. Connections: Future Use of Facilities for Extension to Other Customers, (iii) a correction that "the District shall not charge a tap fee." in Section 9.2 Connections: Future Use of Facilities for Extension to Other Customers, (iv) a clarification in Recitals, Paragraph L, that the Developer waives the right to compensation for customers that connect to the extension in the future, but does not waive the right to compensation for the cost of construction if the District can procure the funds and is allowed to provide reimbursement by law in this agreement, and (v) the District filing a copy of the State Office of Environmental Health Services permit for the construction of the collection system to serve the development.

On August 3, 2011, in response to the Staff memorandum, the District filed a revised Agreement.

On August 5, 3011, Staff filed a further memorandum, noting that the District has complied with its requests regarding changes to the Agreement and Staff, therefore, recommended approval of the Agreement subject to the condition that the District be ordered to file a copy of the State Office of Environmental Health Services permit when it is received.

DISCUSSION

Based on a review of the Agreement and the recommendation of Staff, it is reasonable to approve the Agreement, subject to the filing of the Office of Health Services permit and an executed copy of the Agreement.

FINDINGS OF FACT

1. The District requested approval of an Agreement between the District and the Developer.

2. Staff recommended approval of the Agreement, subject to the filing of the Office of Health Services permit.

CONCLUSION OF LAW

It is reasonable to approve the Agreement, as conditioned.

ORDER

IT IS THEREFORE ORDERED that the Agreement is approved, subject to the filing of (i) the Office of Health Services permit and (ii) an executed Agreement.

IT IS FURTHER ORDERED that on entry of this Order this case shall be removed from the Commission docket of open cases.

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

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

MEB/ldd
110902c

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

August 5, 2011

Robert R. Luchetti, Chairman
Ohio County PSD
P.O. Box 216
Triadelphia, WV 26059

Re: Ohio County Public Service District
Sewer Project 2011S-1266 (Dallas Pike) – Phase II

Dear Mr. Luchetti,

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) has reviewed the Ohio County Public Service District's (District) preliminary application for approval and funding to extend the sanitary sewer service to entities in the Dallas Pike area that have failing wastewater treatment facilities (Project).

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

Upon consideration of the preliminary application, the Infrastructure Council determined that the District should pursue a $1,604,370 Clean Water State Revolving Fund loan (3%, 20 yrs) to fund this Project. Please contact the West Virginia Division of Environmental Protection office at 304-926-0499 (X1596) for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

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

Sincerely,

Kenneth Lowe, Jr.

Enclosure

cc: Kathy Emery, P.E., DEP (w/o enclosure) *(via e-mail)*
Morgan Coast, Vaughn, Coast & Vaughn, Inc.
Scott Hicks, Belomar Regional Council

EXHIBIT
T

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street, SE
Charleston WV 25304
Telephone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

November 26, 2012

Mr. Robert R. Luchetti, Chairman
Ohio County Public Service District
P. O. Box 216
5383 National Road
Triadelphia, WV 26059

RE: Ohio County PSD – Dallas Pike
Binding Commitment Letter
SRF No. C-544373-01

Dear Chairman Luchetti:

This letter is to confirm our intention of providing the long-term financing through the Clean Water State Revolving Fund Program for the PSD's collection system extension project. The project will extend sewer service to the Dallas Pike area of the District.

We are hereby committing an amount of $1,605,000 which will be issued at 2% interest, 1% annual administrative fee, for a term of 20 years. The final loan amount may be adjusted after receipt of bids and a formal application is submitted.

If the PSD's bonds have not been issued to the Fund prior to May 26, 2013, it is understood that the Fund reserves the right to discontinue processing the PSD's application and on that day, will have no further responsibilities or obligations hereunder.

Should you have any questions, please do not hesitate to contact me at (304) 926-0499, extension 1596 or at Katheryn.D.Emery@wv.gov .

Sincerely,

Katheryn Emery, P.E.
Program Manager
Clean Water SRF Program

cc: Ms. Samme Gee, Esquire, Jackson Kelly

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 16th day of May, 2013, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of Ohio County Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer, in the principal amount of $1,605,000 numbered AR-1 (the "Series 2013 A Bonds"), issued as a single, fully registered Bond, and dated May 16, 2013.

2. At the time of such receipt, the Series 2013 A Bonds had been executed by the Chairman and the Secretary of the Issuer by manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2013 A Bonds, of $327,508, being a portion of the principal amount of the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Sheila A. Miller
Its: Authorized Representative

OHIO COUNTY PUBLIC SERVICE DISTRICT

By: [signature]
Its: Chairman

670150.00002

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 16th day of May, 2013, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of Ohio County Public Service District Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), in the principal amount of $1,605,000 (the "Series 2013 A Bonds"), executed by the Chairman and Secretary of Ohio County 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 April 30, 2013, and a Supplemental Resolution duly adopted by the Issuer on April 30, 2013 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Series 2013 A Bonds, duly certified by the Secretary of the Issuer;

(3) Executed counterparts of a Loan Agreement for the Series 2013 A Bonds, dated May 16, 2013, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"); and

(4) Executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2013 A Bonds.

You are hereby requested and authorized to deliver the Series 2013 A Bonds to the Authority upon payment to the Issuer of the sum of $327,508, representing a portion of the principal amount of the Series 2013 A Bonds. Prior to such delivery of the Series 2013 A Bonds, you will please cause the Series 2013 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Left Blank]

Dated as of the day and year first written above.

OHIO COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

670150.00002

5688140

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $1,605,000

KNOW ALL MEN BY THESE PRESENTS: The 16th day of May, 2013, that OHIO COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Ohio 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 SIX HUNDRED FIVE THOUSAND DOLLARS ($1,605,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2014 to and including June 1, 2034, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of 2.0% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2014, to and including June 1, 2034 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee of 1.0 % (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 September 1, 2014, as set forth on said EXHIBIT B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated May 16, 2013.

This Bond is issued (i) to pay the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds (the "Bonds") and related costs. The existing public sewerage system of

the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on April 30, 2013, and a Supplemental Resolution duly adopted by the Issuer on April 30, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS");

(2) SEWER REVENUE BONDS, SERIES 1988 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $694,925 (THE "SERIES 1988 A BONDS");

(3) SEWER REVENUE BONDS, SERIES 1989 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,013,841 (THE "SERIES 1989 A BONDS"); AND

(4) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 15, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,081,000 (THE "SERIES 1997 A BONDS"), (HEREINAFTER COLLECTIVELY, THE "FIRST LIEN BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT AND IN ALL RESPECTS WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS");

(2) SEWER REVENUE BONDS, SERIES 1988 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 30,

1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $173,731 (THE "SERIES 1988 B BONDS"); AND

(3) SEWER REVENUE BONDS, SERIES 1989 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,288 (THE "SERIES 1989 B BONDS") (HEREINAFTER COLLECTIVELY, THE "SECOND LIEN BONDS" AND COLLECTIVELY WITH THE FIRST LIEN BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the Second Lien Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2013 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for 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 or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

[SEAL]

Chairman

ATTEST:

Secretary

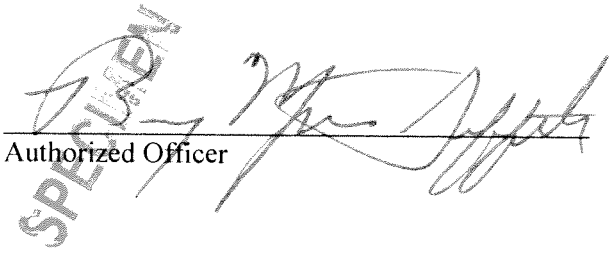
SPECIMEN
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: May 16, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $327,508	05/16/2013	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service

Ohio County PSD

CWSRF

$1,605,000, 20 years

2% Interest Rate, 1% Administrative Fee

Dated Date	5/16/2013
Delivery Date	5/16/2013

Period Ending	Principal	Coupon	Interest	Total Debt Service	Qtrly adm fee *	Total qtrly expense
6/1/2014						
9/1/2014	16,366	2.000%	8,025.00	24,391.00	2,164.38	26,555.38
12/1/2014	16,448	2.000%	7,943.17	24,391.17	2,164.38	26,555.55
3/1/2015	16,530	2.000%	7,860.93	24,390.93	2,164.38	26,555.31
6/1/2015	16,613	2.000%	7,778.28	24,391.28	2,164.38	26,555.66
9/1/2015	16,696	2.000%	7,695.22	24,391.22	2,164.38	26,555.60
12/1/2015	16,780	2.000%	7,611.74	24,391.74	2,164.38	26,556.12
3/1/2016	16,863	2.000%	7,527.84	24,390.84	2,164.38	26,555.22
6/1/2016	16,948	2.000%	7,443.52	24,391.52	2,164.38	26,555.90
9/1/2016	17,032	2.000%	7,358.78	24,390.78	2,164.38	26,555.16
12/1/2016	17,118	2.000%	7,273.62	24,391.62	2,164.38	26,556.00
3/1/2017	17,203	2.000%	7,188.03	24,391.03	2,164.38	26,555.41
6/1/2017	17,289	2.000%	7,102.02	24,391.02	2,164.38	26,555.40
9/1/2017	17,376	2.000%	7,015.57	24,391.57	2,164.38	26,555.95
12/1/2017	17,463	2.000%	6,928.69	24,391.69	2,164.38	26,556.07
3/1/2018	17,550	2.000%	6,841.38	24,391.38	2,164.38	26,555.76
6/1/2018	17,638	2.000%	6,753.63	24,391.63	2,164.38	26,556.01
9/1/2018	17,726	2.000%	6,665.44	24,391.44	2,164.38	26,555.82
12/1/2018	17,814	2.000%	6,576.81	24,390.81	2,164.38	26,555.19
3/1/2019	17,904	2.000%	6,487.74	24,391.74	2,164.38	26,556.12
6/1/2019	17,993	2.000%	6,398.22	24,391.22	2,164.38	26,555.60
9/1/2019	18,083	2.000%	6,308.25	24,391.25	2,164.38	26,555.63
12/1/2019	18,173	2.000%	6,217.84	24,390.84	2,164.38	26,555.22
3/1/2020	18,264	2.000%	6,126.97	24,390.97	2,164.38	26,555.35
6/1/2020	18,356	2.000%	6,035.65	24,391.65	2,164.38	26,556.03
9/1/2020	18,447	2.000%	5,943.87	24,390.87	2,164.38	26,555.25
12/1/2020	18,540	2.000%	5,851.64	24,391.64	2,164.38	26,556.02
3/1/2021	18,632	2.000%	5,758.94	24,390.94	2,164.38	26,555.32
6/1/2021	18,725	2.000%	5,665.78	24,390.78	2,164.38	26,555.16
9/1/2021	18,819	2.000%	5,572.15	24,391.15	2,164.38	26,555.53
12/1/2021	18,913	2.000%	5,478.06	24,391.06	2,164.38	26,555.44
3/1/2022	19,008	2.000%	5,383.49	24,391.49	2,164.38	26,555.87
6/1/2022	19,103	2.000%	5,288.45	24,391.45	2,164.38	26,555.83
9/1/2022	19,198	2.000%	5,192.94	24,390.94	2,164.38	26,555.32
12/1/2022	19,294	2.000%	5,096.95	24,390.95	2,164.38	26,555.33
3/1/2023	19,391	2.000%	5,000.48	24,391.48	2,164.38	26,555.86
6/1/2023	19,488	2.000%	4,903.52	24,391.52	2,164.38	26,555.90
9/1/2023	19,585	2.000%	4,806.08	24,391.08	2,164.38	26,555.46
12/1/2023	19,683	2.000%	4,708.16	24,391.16	2,164.38	26,555.54

Bond Debt Service

Ohio County PSD

CWSRF

$1,605,000, 20 years

2% Interest Rate, 1% Administrative Fee

Period Ending	Principal	Coupon	Interest	Total Debt Service	Qtrly adm fee *	Total qtrly expense
3/1/2024	19,782	2.000%	4,609.74	24,391.74	2,164.38	26,556.12
6/1/2024	19,880	2.000%	4,510.83	24,390.83	2,164.38	26,555.21
9/1/2024	19,980	2.000%	4,411.43	24,391.43	2,164.38	26,555.81
12/1/2024	20,080	2.000%	4,311.53	24,391.53	2,164.38	26,555.91
3/1/2025	20,180	2.000%	4,211.13	24,391.13	2,164.38	26,555.51
6/1/2025	20,281	2.000%	4,110.23	24,391.23	2,164.38	26,555.61
9/1/2025	20,382	2.000%	4,008.83	24,390.83	2,164.38	26,555.21
12/1/2025	20,484	2.000%	3,906.92	24,390.92	2,164.38	26,555.30
3/1/2026	20,587	2.000%	3,804.50	24,391.50	2,164.38	26,555.88
6/1/2026	20,690	2.000%	3,701.56	24,391.56	2,164.38	26,555.94
9/1/2026	20,793	2.000%	3,598.11	24,391.11	2,164.38	26,555.49
12/1/2026	20,897	2.000%	3,494.15	24,391.15	2,164.38	26,555.53
3/1/2027	21,002	2.000%	3,389.66	24,391.66	2,164.38	26,556.04
6/1/2027	21,107	2.000%	3,284.65	24,391.65	2,164.38	26,556.03
9/1/2027	21,212	2.000%	3,179.12	24,391.12	2,164.38	26,555.50
12/1/2027	21,318	2.000%	3,073.06	24,391.06	2,164.38	26,555.44
3/1/2028	21,425	2.000%	2,966.47	24,391.47	2,164.38	26,555.85
6/1/2028	21,532	2.000%	2,859.34	24,391.34	2,164.38	26,555.72
9/1/2028	21,640	2.000%	2,751.68	24,391.68	2,164.38	26,556.06
12/1/2028	21,748	2.000%	2,643.48	24,391.48	2,164.38	26,555.86
3/1/2029	21,856	2.000%	2,534.74	24,390.74	2,164.38	26,555.12
6/1/2029	21,966	2.000%	2,425.46	24,391.46	2,164.38	26,555.84
9/1/2029	22,076	2.000%	2,315.63	24,391.63	2,164.38	26,556.01
12/1/2029	22,186	2.000%	2,205.25	24,391.25	2,164.38	26,555.63
3/1/2030	22,297	2.000%	2,094.32	24,391.32	2,164.38	26,555.70
6/1/2030	22,408	2.000%	1,982.84	24,390.84	2,164.38	26,555.22
9/1/2030	22,520	2.000%	1,870.80	24,390.80	2,164.38	26,555.18
12/1/2030	22,633	2.000%	1,758.20	24,391.20	2,164.38	26,555.58
3/1/2031	22,746	2.000%	1,645.03	24,391.03	2,164.38	26,555.41
6/1/2031	22,860	2.000%	1,531.30	24,391.30	2,164.38	26,555.68
9/1/2031	22,974	2.000%	1,417.00	24,391.00	2,164.38	26,555.38
12/1/2031	23,089	2.000%	1,302.13	24,391.13	2,164.38	26,555.51
3/1/2032	23,205	2.000%	1,186.69	24,391.69	2,164.38	26,556.07
6/1/2032	23,321	2.000%	1,070.66	24,391.66	2,164.38	26,556.04
9/1/2032	23,437	2.000%	954.06	24,391.06	2,164.38	26,555.44
12/1/2032	23,554	2.000%	836.87	24,390.87	2,164.38	26,555.25
3/1/2033	23,672	2.000%	719.10	24,391.10	2,164.38	26,555.48
6/1/2033	23,791	2.000%	600.74	24,391.74	2,164.38	26,556.12
9/1/2033	23,909	2.000%	481.79	24,390.79	2,164.38	26,555.17
12/1/2033	24,029	2.000%	362.24	24,391.24	2,164.38	26,555.62
3/1/2034	24,149	2.000%	242.10	24,391.10	2,164.38	26,555.48
6/1/2034	24,270	2.000%	121.35	24,391.35	2,164.38	26,555.73
	1,605,000		346,299.57	1,951,299.57	173,150.40	2,124,449.97

* A quarterly administrative fee of $2,164.38 results in a total administrative fee of $173,150.40 over the life of the loan.

(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 16, 2013

Ohio County Public Service District
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

Ohio County Public Service District
Triadelphia, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Ohio County 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 $1,605,000 Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a Loan Agreement dated May 16, 2013, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of $1,605,000, in the form of one bond, bearing interest at the rate of 2.0% per annum, registered as to principal and interest to the Authority, with principal of and interest on the Bonds payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning September 1, 2014, to and including June 1, 2034, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Series 2013 A Bonds are subject to the SRF Administrative Fee equal to 1.0% of the principal amount of the Series 2013 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 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); 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 April 30, 2013, as supplemented by a Supplemental Resolution duly adopted by the Issuer on April 30, 2013 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Sewer Revenue Bonds, Series 1986 A (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $100,320 (the "Series 1986 A Bonds"); (ii) Sewer Revenue Bonds, Series 1988 A (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $694,925 (the "Series 1988 A Bonds"); (iii) Sewer Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $1,013,841 (the "Series 1989 A Bonds"); and (iv) Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 15, 1997, issued in the original aggregate principal amount of $1,081,000 (the "Series 1997 A Bonds") (collectively, the "First Lien Bonds"). There are outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2013 A Bonds as to liens, pledges of and security for payment, being the Issuers: (i) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $49,961 (the "Series 1986 B Bonds"); (ii) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $173,731 (the "Series 1988 B Bonds"); and (iii) Sewer Revenue Bonds, Series 1989

B (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $150,288 (the "Series 1989 B Bonds") (collectively, the "Second Lien Bonds" and collectively with the First Lien Bonds the "Prior Bonds") all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

670150.00002

Dinsmore

Legal Counsel.

DINSMORE & SHOHL LLP
Bennett Square ^ 2100 Market Street ^ Wheeling, WV 26003
www.dinsmore.com

Christopher P. Riley
(304) 230-1633 (direct) ^ (304) 230-1610 (fax)
christopher.riley@dinsmore.com

May 16, 2013

Ohio County Public Service District
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

Ohio County Public Service District
Triadelphia, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to Ohio County Public Service District, a public service district, in Ohio County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a Loan Agreement for the Series 2013 A Bonds dated May 16, 2013, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection ("DEP"), the Bond Resolution duly adopted by the Issuer on April 30, 2013, as supplemented by the Supplemental Resolution duly adopted by the Issuer on April 30, 2013 (collectively, the "Bond Legislation"), orders of The County Commission of Ohio County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

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

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

3. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed 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. To the best of our knowledge, the execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

6. The Issuer has received Commission Order dated July 24, 2012 from the Public Service Commission of West Virginia (the "PSC") in Case No. 12-0713-PSD-30B necessary for the implementation of rates and charges, and the Issuer has taken all other actions required for the imposition of such rates and charges, including, without limitation, the enactment of a resolution prescribing such rates and charges, the time for appeal of which has expired prior to the date hereof without successful appeal.

7. The Issuer has received all orders and approvals from the PSC, including the Commission Order entered September 1, 2011 in Case No. 11-0902-PSD-PC approving an alternate mainline extension agreement between the Issuer and Quadrant 11, LLC and Recommended Decision dated March 22, 2013 which became a Final Order on April 1, 2013 per Commission Order Waiving Exception Period dated March 27, 2013 in Case No. 12-1410-PSD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Commission Orders has expired prior to the date hereof. All Orders remain in full force and effect.

8. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan 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, we 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. We will also ascertain, based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, 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.

In our examination of the documents referred to above, we have assumed, without independent investigation, the genuineness of all signatures, the legal capacity of all individuals who have executed any of the documents reviewed by us, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as certified, photostatic or reproduced or conformed copies of validly existing agreements or other documents, and the authenticity of all such latter documents and that the statements regarding the matters of fact in the certificates, records, agreements, instruments and documents that we have examined are accurate and complete.

We have also assumed, without independent investigation, that the Loan Agreement has been duly authorized and executed by, and represents a legal, valid and binding obligation of, each party thereto other than the Issuer.

Whenever we indicate that our opinion is based upon our knowledge or words of similar import, our opinion is based solely, without independent verification, on the actual knowledge of the attorneys in this firm who are representing the Issuer in connection with the Loan Agreement or any other related matter.

This Opinion is subject to the effect of liquidation, conservatorship, insolvency, bankruptcy, reorganization, moratorium, and similar debtor relief laws of general application; to the power of courts to award damages in lieu of granting equity remedies (including the equity remedy of specific performance) and other generally applicable federal and state laws, statutes, ordinances, rules and regulations and generally applicable principles which may modify, limit, render, unenforceable, or delay certain rights and remedies of Lender but which, in our opinion, except for the economic consequences of any such judicial or other procedural delay or impediment which may be imposed by, relate to, result from such generally applicable laws, statutes, ordinances, rules, regulations, and decisions, will not materially diminish the practical realization of the benefits intended to be conferred by the Loan Documents.

This Opinion is as of the date hereof and we undertake no, and hereby disclaim any, obligation to further advise you of any change in any matter set forth herein. This opinion is limited to the laws of the State of West Virginia and the federal laws of the United States and is rendered only with respect to the laws, and the rules, regulations, and orders thereunder, which are currently in effect. This opinion is furnished by us solely for your benefit and the benefit your legal counsel in connection with the

transactions referred to above and may not be circulated to, or relied upon by, any other person without our prior written consent.

Sincerely,

DINSMORE & SHOHL LLP

Dinsmore

Legal Counsel.

DINSMORE & SHOHL LLP
Bennett Square ^ 2100 Market Street ^ Wheeling, WV 26003
www.dinsmore.com

Christopher P. Riley
(304) 230-1633 (direct) ^ (304) 230-1610 (fax)
christopher.riley@dinsmore.com

May 16, 2013

West Virginia Department of Environmental Protection
601 – 57th Street
Charleston, WV 25304

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

Steptoe & Johnson, PLLC
Chase Tower - Eighth Floor
707 Virginia Street E.
Charleston, WV 25301

Ohio County Public Service District
5383 National Road
P.O. Box 216
Triadelphia WV 26059

Re: Final Title Opinion for the Ohio County Public Service District
Project | Dallas Pike Sewers – Phase 2

Dear Ladies and Gentlemen:

We are counsel to the Ohio County Public Service District (the "Issuer") in connection with a proposed project to construct sewer force mains and related facilities in the Dallas Pike area of Ohio County, West Virginia and extend the Issuer's wastewater collection system to provide service to commercial and industrial users (the "Project"). We provide this title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") in connection with the financing of the Project (the "Transaction"). Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and validly 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 to construct, operate and maintain the Project as approved by the DEP.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Vaughn, Coast & Vaughn, Inc., the consulting engineers for the Project.

4. We have examined the public records on file in the Office of the Clerk of the County Commission of Ohio County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components of the Project, including all easements and/or rights of way sufficient to assure undisturbed use

and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

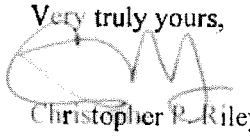
5. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of County to protect the legal title to and interest of the Issuer.

In rendering this opinion, we have assumed, without independent investigation, (i) the genuineness, authenticity, accuracy, completeness, correctness, validity, and binding effect of all instruments of public record, including all signatures and notarial certificates; (ii) all individuals who have signed such instruments had the legal capacity and authority to do so; (iii) the accuracy, correctness, and completeness of the indices in the aforesaid Clerk's office; and (iv) the accuracy, correctness, and completeness of the Project drawings prepared by Issuer's consulting engineers.

This opinion is subject to the following limitations, qualifications, exclusions, and exceptions: (i) any matters, facts, rights, interests, or claims that could be ascertained by an inspection of the land, by making inquiry of persons in possession of the land, or by accurate and complete survey thereof, including any easements, discrepancies, or conflicts in boundary lines, shortage in area and encroachments which an accurate and complete survey would disclose; (ii) any matters, facts, rights, interests, or claims that are not shown in the public records; (iii) any lien or right to a lien imposed by law for services, labor or materials furnished, and not shown by the public records; (iv) any lien arising from any unrecorded judgment, of which the Issuer has actual knowledge; (v) the rights of parties in actual possession of all or any part of the premises and any claims of adverse possession; (vi) any easements or claims of easements not shown of record; (vii) any unrecorded leases; (viii) any liens or judgments which may have attached to, or been perfected against, the property interests acquired after this title examination had been completed; (ix) the effect of any deeds of trust executed and recorded prior to the easements granted to the Issuer; and (x) the effect of any prior grant or severance of coal, oil, gas, and other mineral interests, together with the rights appurtenant thereto, whether created by deed, lease, grant, reservation, severance, sufferance, or exception, including without limitation any rights to extract, develop, and transport minerals.

No opinions are implied beyond those expressly stated herein. This opinion is furnished by us for your sole benefit exclusively for the Transaction. This report may not be used in connection with any other transactions or furnished to, or relied upon, by any other persons without our prior, written consent. This opinion is rendered as of its date, and we express no opinion as to circumstances or events that may occur subsequent to such date. Further, we undertake no, and hereby disclaim any, obligation to advise you of any changes in or any new developments that might affect any matters or opinions set forth herein.

Very truly yours,



Christopher R. Riley

67014
5/2/2013 10:57 am

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF 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
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 PSC FILING
18. SPECIMEN BONDS
19. CONFLICT OF INTEREST
20. CLEAN WATER ACT
22. PROCUREMENT OF ENGINEERING SERVICES
23. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Ohio County Public Service District in Ohio County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify this 16th day of May, 2013 in connection with the Issuer's Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated the date hereof (the "Series 2013 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted April 30, 2013, and the Supplemental Resolution duly adopted April 30, 2013 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds,

the acquisition or construction of the Project, the operation of the System, the receipt of Grant proceeds or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues or the pledge of the Net Revenues as security for the Bonds.

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

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2013 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's (i) Sewer Revenue Bonds, Series 1986 A (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $100,320 (the "Series 1986 A Bonds"); (ii) Sewer Revenue Bonds, Series 1988 A (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $694,925 (the "Series 1988 A Bonds"); (iii) Sewer Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $1,013,841 (the "Series 1989 A Bonds"); and (iv) Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 15, 1997, issued in the original aggregate principal amount of $1,081,000 (the "Series 1997 A Bonds") (hereinafter collectively, the "First Lien Bonds").

There are outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2013 A Bonds as to liens, pledge of and security for payment, being the Issuer's (i) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $49,961 (the "Series 1986 B Bonds"); (ii) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $173,731 (the "Series 1988 B Bonds"); and (iii) Sewer Revenue Bonds, Series 1989 B (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $150,288 (the "Series 1989 B Bonds"), (hereinafter collectively, the "Second Lien Bonds" and collectively with the First Lien Bonds, the "Prior Bonds").

The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met; and (ii) the written consent of the Holders of the First Lien Bonds to the issuance of the Series 2013 A Bonds on a parity with the First

Lien Bonds; and (iii) the written consent of the Holder of the Second Lien Bonds to the issuance of the Series 2013 A Bonds senior and prior to the Second Lien Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

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

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

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

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

NPDES Permit

Approvals of Plans and Specifications

Agreement between the Issuer and Quadrant 11, LLC

Prior Resolutions

Evidence of Insurance

Consent of Water Development Authority

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Ohio County Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Ohio 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
Robert Luchetti	January 2, 2013	December 31, 2018
Daniel Dickinson, Jr.	June 29, 2011	May 17, 2017
Vic Perrone	November 1, 2008	November 1, 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 2013 are as follows:

Chairperson	-	Robert Luchetti
Secretary	-	Daniel Dickinson, Jr.

The duly appointed and acting counsel to the Issuer is Dinsmore & Shohl, LLP, Wheeling, West Virginia.

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

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

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

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

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 Authority. Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

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

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

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

13. RATES: The Issuer has received the Commission Order of the Public Service Commission of West Virginia dated July 24, 2012 in Case No. 12-0713-PSD-30B, approving the rates and charges for the services of the System. The Issuer has adopted a resolution prescribing such rates and charges.

14. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received all orders and approvals from the PSC, including the Commission Order entered September 1, 2011 in Case No. 11-0902-PSD-PC approving an alternate mainline extension agreement between the Issuer and Quadrant 11, LLC and Recommended Decision dated March 22, 2013 which became a Final Order on April 1, 2013 per Commission Order Waiving Exception Period dated March 27, 2013 in Case No. 12-1410-PSD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Commission Orders has expired prior to the date hereof. All Orders remain 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, numbered AR-1, dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds

to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

16. BOND PROCEEDS: On the date hereof, the Issuer received $327,508 from the Authority and the DEP, being a portion of the principal amount of the Series 2013 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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

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

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

20. CLEAN WATER ACT: The Project as described in the Bond Resolution complies with Sections 208 and 303(e) of the Clean Water Act.

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.

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____	Counsel to Issuer

670150.00002

5967548

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____ To the Best of Our Knowledge As Limited Below	Counsel to Issuer [1]

670150.00002

[1] Executed by Counsel to Issuer in reliance, without investigation or analysis, upon information supplied in all documents attached hereto or delivered herewith, information provided by the Issuer in this certificate, and information contained in the opinions and certificates of bond counsel, the project accountant, and the project engineer.

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

ENGINEER'S CERTIFICATE

I, Morgan Coast, Registered Professional Engineer, West Virginia License No. 008261, of Vaughn, Coast & Vaughn, Inc., Saint Clairsville, Ohio, hereby certify this 16th day of May, 2013 as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewerage system (the "System") of Ohio County Public Service District (the "Issuer"), to be constructed primarily in Ohio County, West Virginia, which acquisition and construction are being financed 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, duly adopted by the Issuer on April 30, 2013, as supplemented by the Supplemental Resolution duly adopted by the Issuer on April 30, 2013, the Loan Agreement for the Series 2013 A Bonds, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), dated May 16, 2013 (the "Loan Agreement").

2. The Bonds are being issued for the purposes of (i) paying 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 DEP and the Authority and any change orders approved by the Issuer, the DEP and the Authority and all necessary governmental bodies; (ii) the schematic design for the Project began before July 1, 2012; (iii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 22 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and in reliance upon the opinion of Issuer's counsel, Dinsmore & Shohl LLP, of even date herewith, all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy; (v) the successful bidders received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP and the Authority and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) 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; (viii) the successful bids include prices for every item on such bid forms; (ix) the uniform bid procedures were followed; (x) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the

operation of the System; (xi) the net proceeds of the Bonds, together with all other monies 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 DEP and the Authority; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project has been designed to, and the construction contracts provide for, sewer service for 66 new industrial and commercial customers in the Dallas Pike area.

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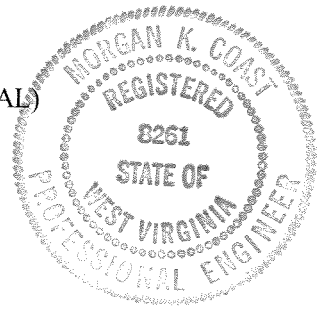
WITNESS my signature and seal on the day and year first written above.

VAUGHN, COAST & VAUGHN, INC.

(SEAL)



Morgan Coast, P.E.
West Virginia License No. 008261

670150.00002

3/29/2013

SCHEDULE B--TOTAL PROJECT

Ohio County Public Service District - Dallas Pike Area Sanitary Sewer Phase II

DEP CWSRF C-544479-1

COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project		Total	DEP CWSRF (3%, 20 yrs)
1.	Construction		
	a. Contract 1	1,002,931.00	1,002,930.25
	b. Contract 2 (Quadrant 11 LLC)	125,000.00	125,000.00
	c. Equipment	46,869.00	46,870.19
2.	Technical Services (Vaughn Coast & Vaughn)		
	a. Design Engineering	15,000.00	15,000.00
	b. Basic Engineering	144,000.00	144,000.00
	c. Inspection	87,000.00	87,000.00
	d. Special Services	35,000.00	35,000.00
3.	Legal & Fiscal & Adm		
	a. Legal -Project (Dinsmore)	20,000.00	20,000.00
	b. Legal PSC (Dinsmore)	5,000.00	5,000.00
	b. Accounting	0.00	0.00
	c. Project Cooridnator (Belomar)	45,000.00	45,000.00
4.	Sites and Other Lands [Not SRF Eligible]	0.00	0.00
5.	Miscellaneous		
	a. Permits	12,092.00	12,091.20
	b. Miscellaneous (list attached)	1,462.00	1,461.85
6.	Construction Contingency 5.0%	50,146.00	50,146.51
7	Total of Lines 1 through 6	1,589,500.00	1,589,500.00
B. Cost of Financing			
8	Capitalized Interest	0.00	0.00
9	Bond Counsel (S&J)	15,000.00	15,000.00
10	Registrar Fee	500.00	500.00
11	Funded Reserve	0.00	0.00
12	Total Cost of Financing	15,500.00	15,500.00
13	**Total Project Cost (line 7 plus line 12)**	**1,605,000.00**	**1,605,000.00**
C. Sources of Funds			
14	Federal Grants	0.00	0.00
15	State Grants	0.00	0.00
16	Other Grants	0.00	0.00
17	Total Grants	0.00	0.00
18	Size of Bond Issue Line 13-Line 17)	1,605,000.00	1,605,000.00

Ohio County Public Service District — Date: April 30, 2013

Vaughn Coast & Vaughn — Date: May 6, 2013

Obecny & Company PLLC
Certified Public Accountants

40 Fourteenth Street, Suite 400
Wheeling, WV 26003-3424

Telephone (304) 232-1358
Fax (304) 232-1361
www.globecpa.com

Thaddeus P. Obecny, CPA

May 16, 2013

Ohio County Public Service District
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

Ohio County Public Service District
Triadelphia, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Based upon the Commission Order dated July 24, 2012, of the Public Service Commission of West Virginia in Case No. 12-0713-PSD-30B, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Ohio County Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will (i) provide all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for payment of principal of and interest on the (a) Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated May 16, 2013, issued in the aggregate principal amount of $1,605,000 (the "Series 2013 A Bonds") and all other obligations secured by or payable from such revenues, including the Issuer's:

(i) Sewer Revenue Bonds, Series 1986 A (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $100,320 (the "Series 1986 A Bonds");

(ii) Sewer Revenue Bonds, Series 1988 A (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $694,925 (the "Series 1988 A Bonds");

(iii) Sewer Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $1,013,841 (the "Series 1989 A Bonds");

(iv) Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 15, 1997, issued in the original aggregate principal amount of $1,081,000 (the "Series 1997 A Bonds");

(v) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $49,961 (the "Series 1986 B Bonds");

(vi) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $173,731 (the "Series 1988 B Bonds"); and

(vii) Sewer Revenue Bonds, Series 1989 B (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $150,288 (the "Series 1989 B Bonds"), (collectively, the "Prior Bonds").

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2013 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2013 A Bonds, 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 Series 2013 A Bonds and the Prior Bonds.

Sincerely,

OBECNY & COMPANY, PLLC

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Ohio County Public Service District in Ohio County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $1,605,000 Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer, dated May 16, 2013 (the "Bonds"), hereby certify this 16th day of May, 2013 as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on April 30, 2013 as supplemented by Supplemental Resolution duly adopted by the Issuer on April 30, 2013 (collectively, the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on May 16, 2013, the date on which the Bonds are being physically delivered in exchange for an initial advance of $327,508, being a portion of the principal amount of the Series 2013 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to 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 Department of Environmental Protection (the "DEP"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2013 A Bonds were sold on May 16, 2013, to the Authority, pursuant to a Bond Purchase Agreement dated May 16, 2013, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $1,605,000 (100% of par), at which time, the Issuer received $327,508

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

6. The Series 2013 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2013 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before June 1, 2014. The acquisition and construction of the Project is expected to be completed by December 1, 2013.

8. The total cost of the Project is estimated at $1,605,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2013 A Bonds	$1,605,000
Total Sources	$1,605,000
USES	
Costs of Acquisition and Construction of the Project	$1,589,500
Costs of Issuance	$15,500
Total Uses	$1,605,000

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

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

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

(3) Series 2013 A Bonds Construction Trust Fund;

(4) Series 2013 A Bonds Sinking Fund; and

(5) Series 2013 A Bonds Reserve Account.

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

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

(2) Series 2013 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2013 A Bonds Reserve Account.

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

11. Monies held in the Series 2013 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2013 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and Series 2013 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2013 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

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

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

14. With the exception of the amount deposited in the Series 2013 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2013 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

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

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

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

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

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

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

OHIO COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

67015.00002

5956634

OCTOBER 15, 1958 - WEDNESDAY

The Board of Commissioners of the County of Ohio met at the Court House at 9:30 A.M.

Present: President Edward F. McKee, Commissioners Hal T. Kain and Albert L. Kress.

The following bills were examined, approved and ordered paid:

GENERAL COUNTY FUND

State Compensation Commissioner $341.70 Ins. - Comp.

PUBLIC IMPROVEMENT FUND

State Compensation Commissioner	85.42	Ins.-Comp.	-Const.	$28.48
			Oper.	42.70
			M.Funds	14.24

In regard to an Air Show which is being planned under the auspices of the Windsor Heights Volunteer Fire Department in conjunction with John E. Morgan of the National Air Shows, the following correspondence was presented to the Board:

WEST VIRGINIA
STATE AERONAUTICS COMMISSION
Charleston 5
October 9, 1958

Mr. J. E. Morgan
c/o McClure Hotel
Wheeling, W. Va.

Dear Mr. Morgan:

In regard to your telephone call on October 9, 1958, this is your authority to proceed with an air show at Wheeling-Ohio County Airport, Wheeling, West Virginia on Sunday October 19, 1958.

All exhibitions for the show will be held in accordance with CAA Regulations and also Part 2, Regulations of the W. Va. State Aeronautics Commission - Section 10, Air Shows, a copy of which is enclosed.

We are particularly interested in the polding of the airport and in seeing that the crowd is strictly prohibited from entering the roped-off areas where the show is taking place.

Very truly yours,
W. VA. STATE AERONAUTICS COMMISSION
By /s/ G. W. Hart, Director

GWH:mbc
Enclosure (1)

The following telegrams were received in regard to the insurance coverage for the Air Show:

WESTERN UNION
Telegram

CT WB026 PD=FAX WASHINGTON DC 14 21 8PME= 1958 Oct 14 PM 4 00
J E MORGAN= DLR Windsor Hotel Immediately
CARE OHIO COUNTY AIRPORT WHEELING WVIR=
POLICY AR2-01700 BEING ISSUED TO COVER CIVIL AIR PATROL, WINDSOR HEIGHTS FIRE DEPT. & OHIO COUNTY COMM. WITH RESPECT TO AIRMEET ON EITHER 10-19-58 OR RAIN DATE 10-26-58 FOR LIMTS OF BI $50,000/250,000 & PD $100,000. PREM. $355.20 TO BE PAID PRIOR TO 10-19 TO EFFECT COV. CERTIFICATE BEING MAILED TOMORROW=
J P WARREN JR. A M E R I C O=
AR2-017000 10-19-58 10-26-58 BI $50,000/250,000 $100,000
* * * * * * * * * * *

WESTERN UNION
Telegram

CT WA177 RX PD=FAX WASHINGTON DC 17 1123 AME=
J E MORGAN=
CARE OHIO COUNTY AIRPORT WHEELING WVIR=
COV. BOUND EFF. 10/19/58 FROM SUNRISE TO SUNSET OR 10/26/58 SUNRISE TO SUNSET FOR CIVIL AIR PATROL, WINDSOR HEIGHTS FIRE DEPT. & OHIO COUNTY COMMISSIONERS FOR THE FOLLOWING:
AIRPT. B.I. $50,000. EACH PERSON /$250,000 EA. ACC.
AIRPT. P.D. $100,000. EECH ACCIDENT.
CEROIFICATES OF INSURANCE SENT 10/16/58=
J P WARREN JR AMERICO=
= 10/19/58 10/26/58 $50,000 $250,000 $100,000 10/16/58

The Board after receiving the aforementioned information on the 15th day of October , entered into an Agreement signed by the Windsor Heights Volunteer Fire Department and John E. Morgan of the National Air Shows. Said Agreement was to govern the conducting of the Air show which was to be held at the Wheeling-Ohio County Airport, and Agreement is listed below:

AIR SHOW LEASE

THIS AGREEMENT, made the 15th day of October 1958 between THE BOARD OF COMMISSIONERS OF THE COUNTY OF OHIO, a corporation, hereinafter called the Lessor, party of the first part, proprietor of the Wheeling-Ohio County Airport hereinafter called the Airport, party of the second part, and Windsor Heights Volunteer Fire Department, Inc., a corporation , and John E. Morgan, A. C. A. National Air Shows , hereinafter called Lessees,

WITNESSETH: That in consideration of the sum of one dollar ($1.00), cash in hand paid, the receipt of which is hereby acknowledged, the Lessor does demise, lease and let the Airport (with the exceptions hereinafter stated) unto the Lessees, for the sole and only purpose of conducting thereat a one-day air show.

TERM: This lease shall be for a period of twenty-three (23) hours and fifty (50) minutes, beginning at the hour of 12:05 A.M. on the 19th day of October 1958 and ending at the hour of 11:55 P.M. of said day, provided that if, because of inclement weather or any other cause, the contemplated air show should not beheld on said 19th day of October 1958, this lease shall, in lieu of said period, cover a similar period on the 26th day of October 1958 .

EXCEPTIONS TO PROPERTY DEMISED: There is excepted from the demised premises the following portions thereof: (1) All interior portions of the Administration Building, and all other structures now standing upon the demised premises; (2) The property of Ohio Valley Aviation, Inc., and all land and structures owned and/or operated and/or controlled by it; (3) All runways and taxiways and aprons of the Airport, except that the Lessee may use the same jointly with other users thereof so long as the use by the Lessee does not interfere with commercial flights into and out of the Airport and does not interfere with the use of the same for other ordinary and normal airport purposes, and the operations of said Ohio Valley Aviation, Inc.

ADMISSION: During the term of this lease the Lessees shall have the right to make a charge for admission to the demised premises except of the following persons: (1) Persons employed in any capacity thereat; (2) Passengers and prospective and retrospective passengers of airlines operating into and out of the Airport, and persons associated with or accompanying such passengers; (3) Persons owning private aircraft stored upon or temporarily using the Airport, and their agents; (4) Persons transporting passengers, prospective passengers, retrospective passengers, parcels or freight into or away from the Airport; (5) The members of The Board of Commissioners of the County of Ohio and their agents and employees; (6) Any other person

whomsoever desiring to go upon the Airport for the purpose of transacting any business thereon or thereat which is not connected with the conduct of an air show.

CONCESSIONS: The Lessor reserves the right to control and to grant all concessions during the term of this lease for the sale of beverages, foodstuffs, souvenirs and the like, and to receive for its own use all fees charged therefor, within 100 feet of the Administration Building.

INSURANCE: The Lessees shall not operate an air show kpon or at the Airport until and unless he shall procure insurance written by a solvent insurer satisfactory to the Lessor agreeing to pay all sums which the Lessees and/or any person, natural or artificial, operating any aircraft as a part of such air show, shall become obliged to pay by reason of the liability imposed upon it or him or & them, or any of them, by law for o damages, including damages for care and loss of service, because of bodily injury, sickness or disease, including death at any time resulting therefrom, sustained by any person or persons, caused by accident and arising out of the operations of any aircraft in such air show or by reason of any other operation of the Lessees upon the demised premises or elsewhere in connection with such air shOw, up to Fifty Thousand Dollars ($50,000.00) for each person so injured, and Two-Hundred Fifty-Thousand Dollars ($250,000.00) for each accident, and to pay on behalf of the Lessees and/or any person, natural or artificial, operating any aircraft as a part of such air show, all sums which it, he or they or any of them shall become obligated to pay by reason of the liability imposed upon it, him or them, or any of them, by law for o damages because of injury to or destruction of property, including the property of the Lessor, and including the loss of use thereof, caused by accident and arising out of or by reason of the operation of such air show and all operations either on the premises or elsewhere which are necessary, usual and incidental thereto, up to the limit of not less than One Hundred Thousand Dollars ($100,000.00) for each accident.

INDEMNITY: The Lessees agree to defend at its, his or their own expense, any and all actions at law and/or suits in equity which may be instituted against the Lessor in any court by reason of any cause occasioned by or attributable to such Air Show, and further to indemnify the Lessor and sa/ve it harmless from any loss, expense or damage in connection therewith.

CONDUCT OF AIR SHOW: Said air show shall be conducted in such a manner as to constitute no interference with or hazard to commercial passenger or freight-carrying planes operating on schedule or unscheduled flights into and out of theAirport, and so as to avoid collision with or damage to any aircraft or other vehicle properly using the Airport, and so as to avoid injurying or killing any person thereon or in the vicinity thereof, or elsewhere.

CLEAN-UP: The Lessees agree that at the conclusion of the term of this lease they will remove from the demised premises all vehicles and structures brought or placed thereon in connection with the air show, and

will also remove from the demised premises any and all debris, litter and other foreign substances brought thereon by any person whomsoever as a result of the air show, and to restore the Airport, in general, substantially to the same condition as that existing at the beginning of the term of this lease.

IN WITNESS WHEREOF the Lessor has caused its name to be signed and its corporate seal to be affixed hereto by proper authority duly given, and the Lessees have signed this Agreement, all as of the date first herein written.

THE BOARD OF COMMISSIONERS OF THE COUNTY OF OHIO, Lessor

(S E A L)

By /s/ Edward F. McKee
President

Attest:

Windsor Heights Volunteer Fire Dept.

By Joseph Larese, Recording Sec'y.
Title

Attest:
Robert Stark

John E. Morgan

By A.C.A. National Air Shows

Attest:

The following Certificate of Insurance was received in regard to aforementioned Air Show:

AMERICAN MERCURY INSURANCE COMPANY
4420 Connecticut Ave., N. W.
Washington 8, D. C.

Descriptive Schedule

Date October 16, 1958

Named Insured : CIVIL AIR PATROL, Windsor Heights Fire Dept. & Ohio County Commissioners
Address of Insured: OHIO COUNTY AIRPORT, Wheeling, W. Va.

Location covered : OHIO COUNTY AIRPORT, WHEELING, W. Va.

Policy# number : AR2-017000

Effective Date : October 19, 1958 or October 26, 1958 (One Day Only)

KIND OF INSURANCE

Airport Liability:

Bodily Injury — $ 50,000. each person / 250,000. each accident

Property Damage — $ 100,000. each accident

This certificate is issued to: CIVIL AIR PATROL, WINDSOR HEIGHTS FIRE DEPT., & OHIO COUNTY COMMISSIONERS whose address is c/o OHIO COUNTY AIRPORT, WHEELING, WEST VIRGINIA

1-E. S. Marshall
1-File
Encl: Endt. #2 (Airmeet Liability Endorsement)

AMERICAN MERCURY INSURANCE COMPANY

By /s/ N. McNealy
Authorized Representative

Although the dates on the above correspondence are different than today's recordation, the Board instructed the Clerk to spread in its entirety all the angles and different procedures the Board had to investigate in this particular section of the minutes, in order to give consent to conduct the Air Show. This is the reason all this correspondence was kept together.

The following Certificate of Inspection was received:

W-6686-W (State Serial Number) — STATE OF WEST VIRGINIA, Department of Labor — 1535 (Certificate Number)

ANNUAL CERTIFICATE OF STEAM BOILER INSPECTION

Lookout	23290	26227	1
Manufacturer	National Board Number	A.S.M.E. Number	Owner's Number

Date of Issuance October 11, 1958

Issued to Ohio County Board of Commissioner

Location of Boiler Slaughter House, County Farm, Roney's Point, W. Va.

V. T.	100-Pounds	6.1	1950
Type	Pressure Allowed	Factor of Safety	Year Built

Fuel-Gas
Boiler Internally Inspected by J. A. Zwolensky of London Guarantee & Accident Company, Ltd.

This is to Certify That the herein described Steam Boiler may be operated at a pressure not to exceed that shown above and only at the location specified herein, for One Year from Date, unless sooner withdrawn for cause.

H. Richard Kennell
Commissioner of Labor

The Clerk was instructed to record the above in these minutes, and forward the Certificate to Superintendent Newell West, of CountyHome & Farm.

The Clerk reported receiving copy of letter addressed to Mr. George P. Hansen, Chairman of Ohio County Civil Defense Advisory Council. Said correspondence revealed the resignation of C. H. Draher, who has been Acting Director of Civil Defense in and for Ohio County, for several months. The Clerk was instructed to file said correspondence.

The following letter was received in regard to Project No. 9-46-005-5804:

U. S. DEPARTMENT OF COMMERCE
Civil Aeronautics Administration

October 9,1958

Mr. Harry F. Lewis, Clerk
The Board of Commissioners
County of Ohio
Wheeling, West Virginia

Dear Mr. Lewis:

In reply to your letter of September 26, 1958 concerning the relocation of the high intensity lights on Runway 3/21 at Wheeling-Ohio County Airport under Project No. 9-46-005-5804, we wish to confirm our previous verbal approval for the Board of Commissioners of the County of Ohio, West Virginia to accomplish said lighting relocation work by force account.

Sincerely yours,
/s/ William O. Collins
District Airport Engineer

The Clerk explained to the Board that the above correspondence verified the information that was given prior to this date by telephone, and this verification was requested by the Federal Auditor to secure in writing theformal approval of Civil Aeronautics Administration in regard to our use of "Force Account".

Commissioner Kress submitted a petition for the Board's determination and action in regard to a creation of a Public Service District, said petition being proper and carrying some 105 signatures. The Board then instructed the Clerk to enter the following order:

"OHIO COUNTY PUBLIC SERVICE DISTRICT"

This 17th day of October, 1958, came Lila Sheldon and one hundred and five (105) other legal voters residing within and owning real estate situated within Ohio County, West Virginia, and filedtheir petition for the creation of a public service district within those parts

of Ohio County not included within any municipality, pursuant to Article 13A of Chapter 16 of the Code of West Virginia, as amended.

Pursuant to the requirements of Section 2 of that Article, The Court appoints the 17th day of November, 1958, at the hour of 10:00 A.M. Eastern Standard Time, as the time, and the Court room of this Court located at No. 2217 Chapline Street, Wheeling, West Virginia, as the place, for public hearing on said petition.

It is further ordered that the Clerk of this Court do cause to be published in the Wheeling Intelligencer, a newspaper of a general circulation published in Ohio County, West Virginia, a notice respecting said petition, of the kind required by said statute.

* * * * *

The Mental Hygiene Commission reported the following suffering from Mental Illness, and committed to the State Hospital at Weston:

Margaret E. Moore
Agnes Gollner

The Clerk was instructed to record the following deed:

THIS DEED, Made this 15th day of October, 1958, by and between THE BOARD OF COMMISSIONERS OF THE COUNTY OF OHIO, a corporation, party of the first part, and THE STATE OF WEST VIRGINIA, by THE STATE ROAD COMMISSION OF WEST VIRGINIA, a corporation, party of the second part,

WITNESSETH: That for and in consideration of the sum of ONE DOLLAR ($1.00), cash in hand paid, and other good and valuable considerations, the receipt of all which is hereby acknowledged, the party of the first part does grant, sell and convey in fee simple unto the said STATE OF WEST VIRGINIA, party of the second part, a certain strip or parcel of land situate in the County of Ohio, State of West Virginia, and shown as belonging to Board of Commissioners County of Ohio, upon map or blueprint marked, identified and described as plans of State Road Commission Project No. F-203 (14), Fulton Interchange, Ohio County, West Virginia, known as Parcel No. 205, the said real estate herein conveyed being more particularly described as follows, to-wit:

Beginning at a point in the southerly line of the National Road in the line between Daniel Steenrod and Hamilton Woods as it is shown on the plat of the town of Steenrod recorded in deed book No. 39, folio 307, in the office of the Clerk of the County Court of Ohio County, West Virginia; thence with the southerly side of the National Road in an easterly direction a distance of four hundred and thirty-two feet to a point; thence by a straight line in the southwesterly direction a distance of fifty-eight feet to a point which is distant from the southerly line of the National Road by a line measured at right angles thereto, ten feet; thence in a southwesterly direction of distance of fifty-six feet to a point which is distant from the southerly line of the National Road by a line measured at right angles thereto, twelve feet; thence by a straight line at right angles to the southerly side

of the National Road to the middle of Wheeling Creek; thence in a westerly direction with the meanderings of said creek to the westerly line of the property of George Conrad; thence with said westerly line of George Conrad to theplace of beginning.

Said parcel is the same tract or parcel of land that was conveyed by George Conrad to Board of Commissioners of the County of Ohio, by deed dated May 28, 1903, and recorded in the said Clerk's office in Deed Book 112 at page 559.

Said property is conveyed subject, however, to all rights which were granted and conveyed by The Board of Commissioners of the County of Ohio to the Sanitary Board of the City of Wheeling and the City of Wheeling, a municipal corporation, by deed dated March 28, 1955 and recorded in the aforesaid County Clerk's office in Deed Book No. 368, at page 20.

IN WITNESS WHEREOF the said Board of Commissioners of the County of Ohio, State of West Virginia, has caused this deed to be signed by Edward F. McKee, its President, and its corporate seal hereunto affixed by authority duly given.

THE BOARD OF COMMISSIONERS OF THE COUNTY OF OHIO

By _____
Its President

(S E A L)

Attest:

_____
Clerk

(Signed by Board on date that shows)

STATE OF WEST VIRGINIA

COUNTY OF OHIO, TO-WIT:

I, _____, a Notary Public of the County of Ohio, do certify that Edward F. McKee, who signed the writing hereto annexed for The Board of Commissioners of the County of Ohio, a corporation, bearing date the _____ day of October, 1958, has this day, in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand and seal this ____ day of October, 1958.

_____
Notary Public of, in and for Ohio County, State of West Virginia

* * * * * *

Clerk reported receipt of the following checks

Ck. No.1550 dated October 3, 1958, amounting to $370.00, received from The Board of Commissioners of the County of Ohio, for feeding J/P prisoners in Ohio Co. Jail during September, 1958. To be credited to Gen. Co. Fund.

Ck. No. 1171 dated October 4, 1958, amounting to $4.00, received from the Village of Bethlehem, for feeding prisoners during September, 1958. To be credited to Gen. Co. Fund.

U.S. Treas. Ck. No. 3,905,397 dated October 13, 1958, amounting to $71.63, for CAA Rental Contract. To be credited to Public Imp. Fund.

On motion duly seconded, the Board recessed until Friday, October 17, 1958 at 9:30 A.M.

_____
Clerk

_____
President

Administrator

ATTEST: A TRUE AND ACCURATE COPY

The Clerk reported receipt of correspondence from Mr. George P. Hansen, Chairman Ohio County Civil Defense Advisory Council:

CIVIL DEFENSE
Ohio County Chapter
Wheeling, W. Va.

November 7, 1958

Mr. Ed. McKee
1425 Chapline St.
Wheeling, W Va.

Dear Sir:

At the meeting of the Advisory Countil for Civil Defense in Ohio County, October 17, 1958, those members present, expressed the desire for the appointment of Mr. C. H. Draher as Director of Civil Defense in and for the County.

For your convenience there is enclosed a duplicate copy of this letter on which, I as Chairman of the Council, am requesting you indicate receipt of letter and your pleasure concerning the above mentioned appointment.

Very truly yours,

/s/ George P. Hansen, Chairman
Ohio County Civil Defense
Advisory Council

Commissioner Hal T. Kain then moved that on the recommendation of the Ohio County Civil Defense Advisory Council, the Board would endorse Mr. Chester H. Draher as Director of Civil Defense in and for Ohio County. Said motion was seconded by Commissioner Albert L. Kress, and unanimously carried.

The Clerk then reported that Airport Manager Charles J. Carter had received word from the Insurance company that carried the one day airport property damage and liability insurance for the air show that was conducted by - John Morgan - on Sunday, October 19, 1958, sponsored by Windsor Volunteer Fire Department. In said correspondence, the company stated that no premium had ever been received, and as far as they were concerned, there was no insurance coverage for the day of the air show. After conferring with the Prosecuting Attorney, the Board felt that it was not involved with this insurance company and it would have to be straightened out with John Morgan or the Windsor Volunteer Fire Department

On motion duly seconded, the Board recessed until Monday, November 17, 1958, at 9:30 A.M.

Mary F. Sims
Clerk

Edward F. McKee
President

NOVEMBER 17, 1958 - MONDAY

The Board of Commissioners of the County of Ohio met at the Court House at 9:.30 A.M.

Present: President Edward F. McKee, Commissioners Hal T. Kain and Albert L. Kress.

The Wheeling-Ohio County Airport payrolls for the period of November 1 to and including November 15, 1958, were approved in the total amount of Two thousand five hundred twenty-seven dollars and thirty-seven cents ($2,527.37), and the Clerk was instructed to deduct Social Security in the total amount of Fifty dollars and thirteen cents ($50.13), and Withholding Tax in the total amount of Two hundred two dollars and eighty cents ($202.80), required by Federal law to be deducted from personal salaries.

The Mental Hygiene Commission reported - William Russell Vick - mentally ill and released into the custody of his brother, Edgar Roy Vick.

The Ohio County Department of Public Assistance presented requisition, duly certified and drawn in accordance with the public welfare law for the following:

General Relief Payroll	(cash awards)	$ 1930.00
Miscellaneous Aid		3793.35
Miscellaneous Aid		4321.09
TOTAL		$10,044.44

Clerk reported receipt of the following correspondence:

WEST VIRGINIA
STATE DEPARTMENT OF PUBLIC ASSISTANCE
November 14, 1958

Ohio County

Mr. Harry Lewis, Clerk
Board of Commissioners of Ohio County
2217 Chapline St.
Wheeling, W. Va.

Dear Mr. Lewis: RE: Harry Biery

The above-named man made application to this Department for County Home care. He was approved by Dr. Thomas L. Thomas and was to go to the home on November 14, 1958.

He has no resources of any type. His nearest relative is a daughter, Mrs. Betty Edge, 400 Ontario Street, Wheeling, West Virginia.

This is for your information.

Very truly yours,

/s/ (Miss) Virginia Knowles
Director, Ohio Co. DPA

The following correspondence was received from Clerk of the County Court, Raymond J. Falland:

RAYMOND J. FALLAND
Clerk of The County Court
of Ohio County
Wheeling, W. Va.
November 17th, 1958

Board of Commissioners
Ohio County
Wheeling, West Virginia

Gentlemen:

Please be advised that Mary V. Lally resigned as stenographer to this office as of October 31, 1958.

In her place and stead, and to the promotions, am requesting the following revisions to monthly salaries which will not vary fro the appropriation allotted to this office, to take effect as of November 1, 1958.

Robert V. Arkle	$366.00
Frances A. Jeavons	306.00
Madelyn A. Jun	250.00
Margaret T. Voellinger	245.00
Rose M. Chiazza	195.00
Beverly Kadi	188.00
Rita Holly	175.00
Patricia Piko	165.00
Diana Casper	165.00
Donna C. Huff	150.00

To the vacancy, am appointing Sue Ann Kuntz, 29 Bryan Street, at the salary of $142.00 beginning November 10, 1958.

Respectfully submitted,

/s/ Raymond J. Falland
Clerk County Court, Ohio Co., W.Va.

RJF/b

The Clerk of the Board was then authorized to make the necessary payroll changes.

Clerk reported receipt of correspondence from W.Va. Civil Defense Agency, and was instructed to include in minutes said correspondence in its entirety in order to keep the record established. (See letter next page)

WEST VIRGINIA CIVIL DEFENSE AGENCY
A Division of the
Adjutant General's Department
1511 11th Avenue
South Charleston

17 November 1958

Subject: Inactivation of Ground Observer Corps

It is with regret that we inform you of the following decision which has been made of the Air Defense Command.

Effective 31 January, 1959, the Ground Observer Corps throughout the United States will be inactivated. The decision to eliminate the GOC as a function of Air Defense is based on the following consideration:

a. The expansion and improved operational capabilities of the air defense radar system provide increasing assurance that enemy manned-bomber strikes can be detected and identified before they reach the borders of the United States.

b. The increasing speed and effectiveness of the various types of aerial weapons must be matched by equal improvement in the speed and efficiency and the expansion of our radar detection and weapons guidance systems. The Air Force is meeting these requirements at an accelerated pace. As a result, the manually operated air defense of the past is being replaced by a semi-automatic air defense system known as SAGE (Semi-Automatic Ground Environment).

c. The Air Force responsibility to relieve the volunteers of a heavy burden of duties when development of the electronic air surveillance system will permit.

It is of the utmost importance that we exert every effort to assure that the good will of the GOC Volunteers toward Civil Defense be maintained after the inactivation is complete.

* * * * * * *

The following Resolution and Order prepared by Assistant Prosecuting Attorney W. Frank Keefer, was presented to the Board whose action was as follows:

A Resolution and Order providing for the creation of a public service district in Ohio County, West Virginia

*** **** ***

WHEREAS, there has heretofore been filed in the office of the Clerk of The Board of Commissioners of the County of Ohio, West Virginia, and presented to this Board a petition for the creation of a public service district in Ohio County, West Virginia; and

WHEREAS, pursuant to the provisions of Article 13A of Chapter 16 of the West Virginia Code this Board on October 17, 1958 entered an order fixing November 17, 1958, at ten o'clock, A.M. (E.S.T.) and the court room of this Court, at No. 2217 Chapline Street, Wheeling, West Virginia as the date, time and place of a public hearing on the creation of said public service district:

NOW, THEREFORE, Be it and It Is Hereby Resolved and Ordered by The Board of Commissioners of the County of Ohio, West Virginia, as follows:

Section 1. The Board of Commissioners of the County of Ohio, West Virginia, hereby finds and declares that there has heretofore been filed in the office of the Clerk of this Court and presented by said Clerk to this Court a petition for the creation of a public service district in Ohio County,

West Virginia, which petition contains a description sufficient to identify the territory to be embraced within the proposed public service district and the name of the proposed public service district and which petition has been signed by more than one hundred legal voters residing and owning real property within the limits of the proposed public service district, and further finds and declares that said petition in all respects meets the requirements of Article 13A of Chapter 16 of the West Virginia Code and that allof the territory to be embraced by said proposed public service district is located in Ohio County, West Virginia.

Section 2. Said Board of Commissioners further finds that upon the filing of said petition, namely, on the 17th day of October, 1958, an order was entered by this Board, fixing the 17th day of November, 1958, at ten o'clock, a.m as the time, and the court room of this Board, as the place, for a hearing upon said petition, and directing the Clerk of this Board to publish in The Wheeling Intelligencer, a newspaper of general circulation published in Ohio County, West Virginia, a notice of the kind required by the statutes of the State of West Virginia, namely, W.Va. Code 16-13A-2,and that such notice was published in said newspaper at least ten days prior to said 17th day of November, 1958, namely, on November 5, 1958, which notice is here found and declared to be a full compliance with said statute and also said Order of this Board entered on the 17th day of October, 1958.

Section 3. On this date, namely, the 17th day of November, 1958, at ten o'clock, a.m., pursuant to said notice, a public hearing was held in the Court Room of this Board at the Court House of said County of Ohio, at which public hearing all persons residing in or owning or having any interest in property in the proposed public service district who appeared had an opportunity to be heard for and against its creation, and a number of persons appeared, none of whom opposed, but all of whom advocated, the creation of a public service district as prayed in said Petition.

Section 4. At said hearing this Board considered the feasibility of the creation of the proposed public service district, and determined that the creation thereof is feasible and that the construction or acquisition by purchase or otherwise and maintenance, operation, improvement and extension of public service properties by such public service district will be conducive to the preservation of public health, comfort and convenience of such area.

Section 5. Accordingly there is hereby created the Ohio County Public Service District.

Section 6. Said District shall be a public corporation and political subdivision of the State of West Virginia, with power of perpetual succession, but without any power to levy or collect ad valorem taxes. It shall also have all powers granted to such corporations by Article 13A of

of Chapter 16 of the Code of West Virginia.

Section 7. The territory of said Public Service District shall embrace all territory of Ohio County, West Virginia, not included, at the date of the adoption of this order, within the corporate boundaries of any incorporated City, Town or Village.

Section 8. The powers of said Public Service District shall be vested in and exercised by a public service board consisting of three (3) members.

Section 9. None of the territory embraced within said Public Service District lying within any incorporated City, Town or Village, and therefore no such City, Town or Village having any right to appoint a member of the board of said district, the said Board of Commissioners of the County of Ohio, by virtue of the authority vested in it by Section 3 of Article 13A of Chapter 16 of the Code of West Virginia, does hereby appoint the following three members of said board, all of whom reside within said district, namely, (1) Charles C. Beneke, whose post office address is R.D. 1, Wheeling, West Virginia, and whose initial term of office shall expire on the first day of November, 1960; (2) Harley F. Baker, whose post-office address is 342 Fairmont Avenue , Wheeling, West Virginia, and whose initial term of office shall expire November 1, 1962, and (3) James H.Prager, Long View Acres, Wheeling, West Virginia, and whose initial term of office shall expire November 1, 1964.

A True Copy Teste:

Harry F. Lewis, Clerk

ATTEST:
A TRUE AND ACCURATE COPY: Administrator

The next item to come before the Board's attention was that concerning a Mrs. Irene Laney, #50 Lane 15, who had fallen on the steps leading from the Sheriff's office, after she had transacted tax business. Ralph Wagner, upon reporting all the facts concerning this matter to the insurance company, had received word by telephone that the Adjustor of Claims for said agency felt there was no liability on the part of the County and said claim would in all probability not be honored. The Clerk was instructed to notify the Asst. Pros. Attorney of the aforementioned insurance agency attitude, (R.P.Herold Ins. Agency) and have them appear before the Board and discuss this matter further.

On motion duly seconded, the Board recessed until Wednesday, November 19, 1958, at 9:30 A.M.

Harry F. Lewis
Clerk

Edward F. McKee
President

NOVEMBER 19, 1958 - WEDNESDAY

The Board of Commissioners of the County of Ohio met at the Court House at 9:30 A.M.

Present: President Edward F. McKee, Commissioners Hal T. Kain and Albert L. Kress.

Application for correction of Erroneous Assessment was, on motion duly seconded, approved and ordered certified to the State Auditor, Sheriff and Assessor for the following:

NAME	AMOUNT	DISTRICT	CLASS
Chanek, Edwin	$29.95	Clay	3

The Mental Hygiene Commission reported the following hearing:

Frances Grandstaff - who was declared not mentally ill.

Clerk reported receiving August Monthly statement of Clerk of Circuit Court, which was ordered filed.

The Clerk was instructed to issue correspondence in regard to Trans. of Funds from General County Fund to the C.C.B.A.C., in the amount of $5,000.00, (check No. 10597) dated September 11, which represents the third transfer from Ohio County for the year 1964-65.

Meeting then recessed until Monday, September 14, at 7:00 P.M.

Carl H. Becker
Deputy Clerk

Chas. C. Beneke
President

SEPTEMBER 14, 1964 - MONDAY

The Board of Commissioners of the County of Ohio met at the County Court House at 7:00 P.M.

Present were: President Chas. C. Beneke, and Commissioners Cecil L.Hedrick and Warren W. Pugh. President Beneke presided.

Minutes of meeting held September 11 were read and approved.

The subject of hours the Voters Registration office be kept open was discussed, and upon motion by Commissioner Pugh, seconded by President Beneke, it was decided that the office be kept open from 8:30 A.M. to 8:00 P.M. on dates of September 18, 25 and October 2, and from 8:30 A.M. until 6:00 P.M. on October 3.

The Mental Hygiene Commission reported hearing on -

Paul Joseph Fatckovitch - who was declared mentally ill and placed in custody of the Veterans' Admn. for care and treatment.

A letter was received from Mr. George A. Weisner, Secretary of the Bethlemen Fire Dept. Inc., making application for their annual contribution, and upon motion by Commissioner Pugh, seconded by President Beneke, the Clerk was ordered to have a check for $500.00 mailed to this organization.

A letter from the Honorable Robert C. Byrd, U.S.S., pertaining to his efforts in the Hazel-Atlas controversy, was read and ordered filed with the balance of the correspondence regarding this matter.

Notary Public application for - Henry F. Baker - was on motion, duly approved and ordered certified to the Governor.

The Ohio County Department of Welfare presented requisitions duly certified and drawn in accordance with the Public Welfare Law for the following:

General Relief Payroll	(cash awards)	$1835.00
Miscellaneous Aid		611.90
Miscellaneous Aid		4310.80
		$6757.70

Applications for correction of Erroneous Assessments were, on motion, duly seconded, approved and ordered certified to the State Auditor, Sheriff and Assessor for the following:

NAME	AMT.	DISTRICT
Naegele, Charles	$ 2.25	Clay
Arnold, Ophelia A.	63.06	Triad.-Whg.
Pure Oil Co.	160.96	Triad.-Whg.

The Board examined bills listed below, approved same and ordered paid:

GENERAL COUNTY FUND

Harriette A. Timbrook	$ 36.98	Agri.Agt.		
Carl H. Becker	8.67	Surplus Commod.		
Geo. Cook Dist. Co.	32.45	Co.San.	$ 10.35	
		F.Pris.F.	22.10-	$32.45
Whg. Whlse. Grocery Co.	29.50	Co.San.	3.65	
		F.Pris.F.	25.85-	29.50
Addressograph-Multigraph Corp.	89.45	Assessor	76.20	
		Co.Commrs.	13.25-	89.45
Lucile J. Schwinn	63.23	Clk.Cir.& Int.Ct.(Elec.Misc.L.)		
Wheeling Electric Co.	201.74	Co.Home	20.20	
		Dent.Home	20.20	
		Co.San.	161.34-	201.74
Ida Mae Stollar,Matron	59.50	Deten.H.		
Albert L. Habig	3.00	Felony		
Adolph H. Namlik, Jr.	20.00	Inquest		
News Publishing Co.	20.79	Legal Adv.		

Attorney Callahan next presented proof of publication of said hearing in the Daily Herald published in the City of Wellsburg, West Virginia, in their edition of September 4, 1964, which Resolution is attached hereto, and made a part of the minutes of this meeting.

PROOF OF PUBLICATION

STATE OF WEST VIRGINIA, } ss.
COUNTY OF BROOKE.

I, Orel S. Pfleg publisher of THE DAILY HERALD a daily newspaper published in the City of Wellsburg, County of Brooke, State of West Virginia, hereby certify that the annexed advertisement _____ was published in said newspaper for 1 consecutive weeks, commencing on the 4th day of September 1964 and concluding on the _____ day of _____ 19__

_____ Publisher

Taken, sworn to and subscribed before me this 4th day of Sept. 1964

Margaret B. Mozinger
Notary Public

My commission expires March 11 1967

County Court having received and filed a certified copy of a resolution of the Common Council of said Town of Bethany consenting to the inclusion of said Town within said boundaries, and this County Court having received and filed a certified copy of an order and resolution of the County Court of Ohio County, West Virginia, entered August 18, 1964, in words and figures as follows:

"WHEREAS, by order of the County Court of Ohio County entered on the 17th day of November, 1963, following public hearing as required by statute, said County Court established Ohio County Public Service District and fixed the boundaries of said Public Service District as follows:

The territory of said Public Service District shall embrace all territory of Ohio County, West Virginia, not included at the date of adoption of the aforesaid order, within the corporate boundaries of any incorporated city, town or village and

Council of the Town of Bethany consenting to the inclusion of said Town within the boundaries of Ohio County Public Service District having been tendered to and inspected by this County Court and now hereby accepted to be filed herein.

"FURTHER ORDERED that the County Court hereby fixes the 31st day of August, 1964, said date being not more than forty nor less than twenty days from the date of entry of this order, for a hearing before the County Court upon the said amendment of the boundaries of Ohio County Public Service District, said hearing to be held in the Ohio County Court Room in the City of Wheeling at the hour of 7:00 o'clock p.m. The County Court hereby directs the Clerk hereof to mail by certified mail to the County Court of Brooke County and to the Clerk thereof certified copies of this order to notify said County

cluded within Ohio County Public Service District by publication one time of this entire order in a newspaper of general circulation published in Brooke County at least ten days prior to said hearing date, the costs of such publication to be paid by Ohio County Public Service District, and said Clerk is further directed to mail a certified copy of this order and resolution to the County Court of Ohio County.

Sept. 4

Attorney Callanen further presented a certified photo-copy of the Order passed by The Board of Commissioners of the County of Ohio, pertaining to this hearing, as it appeared in the Wheeling News-Register and Intelligencer under date of August 14, 1964, which copy is recorded in this Minute Book K-1 on pages Nos. 29-30, under date of August 10, 1964. Certificate of publication attached hereto and made a part of these minutes.

CARL RECKER

STATE OF WEST VIRGINIA,
COUNTY OF OHIO.

I, [illegible] for the publisher of the WHEELING NEWS-REGISTER and WHEELING INTELLIGENCER newspapers published in the CITY OF WHEELING, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates.

August 14

commencing on the 14th day of August 1964

Given under my hand this 17th day of August 1964

[illegible]

Sworn to and subscribed before me this 17 day of August 1964 at WHEELING, OHIO COUNTY, WEST VIRGINIA

Eugene E. Fogle
Notary Public

of, in and for OHIO COUNTY, WEST VIRGINIA.

My Commission expires My Commission Expires January 18 1965

President Beneke then placed under Oath - Messrs. Prager, Heyl, Brill, and Miss Kessler, for questioning regarding this water extension project, whereupon Attorney Callahan asked the individuals as to whether or not they were acquainted with the territory to be served, whether they felt the water service offered possibilities which would induce population growth; whether or not the extended project would benefit the town of Bethany, and if this extension would assist the project financially, to which questions each individual answered in his or her reply, in an emphatic manner that they were acquainted with the territory to be served, that this extension would certainly stimulate building, that the town of Bethany was in dire need of an adequate water supply, and that in their opinion the engineering report of the system as prepared by Pride Associates was feasible.

Attorney Callahan then presented a Resolution and Order, which is as follows:

RESOLUTION and ORDER

Re: Ohio County Public Service District

At a regular meeting of the County Court of Ohio County, West Virginia, continued and held at the Courthouse of said County, Charles C. Beneke, Cecil Hedrick and Warren Pugh, Commissioners, being present thereat, on the 31st day of August, 1964, being the date fixed by prior action of the County Court for conducting the public hearing on the extension of the boundaries of Ohio County Public Service District, which District was originally created and established by the County Court by a resolution and order entered on the 17th day of November, 1958, the President announced that due publication of notice of such public hearing in accordance with an order entered by the County Court on the 11th day of August, 1964, had been made in the Wheeling Intelligencer and Wheeling News-Register on the 14th and 17th day of August, 1964, as appears from a Certificate of Publication tendered to the County Court and n ow filed herein and had also been made in the Daily Herald, a newspaper of general circulation published in Brooke County upon order of the County Court of Brooke County as appears from a certificate of publication tendered to the County Court and now filed herein, the hearing date of August 31, 1964, having been continued by the County Court on August 31, 1964, at the meeting of the County Court, to this date. Thereupon, all persons residing in or owning or having any interest in property in Ohio County Public Service District and in the territory embraced within the proposed extension of the boundaries of said District into Brooke County desiring to be heard for or against the extension of such boundaries were given full opportunity at a hearing held on this date before this County Court and several persons testified in favor of such extension and no one appeared in opposition thereto.

ooo

The County Court then further discussed the extension of the boundaries of said Ohio County Public Service District, whereupon, on unanimous vote of all the Commissioners, the following order and resolution was adopted, effective immediately:

ORDER AND RESOLUTION EXTENDING THE BOUNDARIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT INTO BROOKE COUNTY AND RATIFYING AND CONFIRMING THE CREATION OF SAID

PUBLIC SERVICE DISTRICT AS SO EXTENDED.

WHEREAS, the County Court of Ohio County, West Virginia, did heretofore, by a resolution and order entered August 11, 1964, fix a date for a public hearing on the proposed extension of the boundaries of Ohio County Public Service District upon its own motion and in said by said resolution and order provided that the County Court of Brooke County and the Clerk thereof should be notified of such public hearing and ordered that all persons residing in or owning or having any interest in property in Ohio County Public Service District, as extended, might appear before the county Court and have an opportunity to be heard for and against such extension; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by Article 13A, Chapter 16 of the Code of West Virginia by this County Court and by the County Court of Brooke County and all interested persons having been afforded an opportunity to be heard for and against the extension of the boundaries of said District and no written protest having been filed by the requisite number of qualified voters registered and residing within the said District and the proposed extension thereof or otherwise and the County Court having given due consideration to all matters for which such hearing was had; and

WHEREAS, the County Court is of opinion and hereby determines that the extension of the boundaries of Ohio County Public Service District as provided in said resolution and order entered on August 11, 1964, is feasible and that water services proposed to be rendered by said District within its original and extended boundaries will be conducive to the preservation of public health, comfort and convenience in said District as so extended and that a resolution and order extending the boundaries of said District and ratifying and confirming the creation of said District as heretofore recited should be adopted;

NOW, THEREFORE, be it and it is hereby ordered and resolved by the County Court of Ohio County, West Virginia, as follows:

1. The creation of Ohio County Public Service District, heretofore created by this County Court by order entered November 17, 1958, embracing all territory of Ohio County, West Virginia, not included on said date within the corporate boundaries of any incorporated city, town or village, is hereby ratified and confirmed with additional territory extending into Brooke County, West Virginia, and embracing the incorporated Town of Bethany, which additional territory is described as follows:

> The territory embraced within the corporate limits of the Town of Bethany in Buffalo District of Brooke County, and further to include the territory in Brooke County bounded by a strip of one (1) mile wide on each side of West Virginia State Route No. 88 from the Town of Bethany to the Ohio County line,

a certified copy of a resolution of the Common Council of the Town of Bethany consenting to the inclusion of said Town within the

boundaries of Ohio County Public Service District having been tendered to and inspected by this County Court, and now hereby ordered to be filed herein. And this County Court does hereby create, ratify and confirm Ohio County Public Service District as a public service district embracing all said original territory and said additional territory and said District shall be deemed and considered to have been created and re-created in its entirety on the date hereof; provided, however, that all lawful actions taken and things done by the lawfully constituted Public Service Board of Ohio County Public Service District named in said resolution and order entered November 17, 1958, are hereby ratified and confirmed.

2. Said Public Service District as so extended shall have the name and corporate title of "Ohio County Public Service District" and shall constitute a public corporation and political subdivision of the State of West Virginia having all the rights and powers conferred on public service districts by the laws of the State of West Virginia and particularly by Article 13A, Chapter 16 of the Code of West Virginia.

3. This County Court has on the date hereof received and hereby orders to be filed herein, a certified copy of a resolution adopted by the Council of the Town of Bethany consenting to the inclusion of said Town within the boundaries of said District.

4. The County Court hereby reappoints, appoints and ratifies the appointment of the following three persons residing within said District as members of the Public Service Board of said District for the terms shown after their names:

   James H. Prager, for a term expiring November 1, 1964
   Robert A. Heyl, for a term expiring November 1, 1966
   Melvin Folmar, for a term expiring November 1, 1968

such terms to run until said date as set forth above.

5. This County Court having heard testimony at this hearing as to the feasibility of the extension of said District and the re-creation of said District with its original boundaries as so extended and as to the construction or acquisition and the maintenance, operation, improvement and extension of public service properties of said District, now hereby finds and determines that such extension and re-creation are feasible and that such construction, acquisition, maintenance, operation, improvement and extension will be conducive to the preservation of public health, comfort and convenience of the entire territory of said District, including that part in Brooke County.

6. It is the intent and order of this County Court, that all legal requirements therefor having been met, that Ohio County Public Service District be a public service district under the laws of West Virginia embracing all territory of Ohio County, West Virginia, not included on November 17, 1958, within the corporate boundaries of any incorporated city, town or village within Ohio County, and embracing the above described territory including the Town of Bethany within Brooke County, and that Ohio County Public Service District shall be considered to have been duly created on the date hereof with all territory hereinabove described and that all lawful actions by the Public Service Board of said District heretofore taken be and they are hereby fully ratified and confirmed.

* * * * * * * *

Upon motion by Commissioner Pugh, seconded by President Beneke and carried, the resolution was adopted. * * * * * * * *

I, Carl H. Becker, Deputy Clerk of the Board of Commissioners of the County of Ohio, hereby certify that the following is a true and exact copy of a resolution and order passed by The Board of Commissioners of the County of Ohio at a regular meeting held on the 14th day of September, 1964, and recorded in Minute Book K-1 , pages _____, of the Board of Commissioners of the County of Ohio.

Given under my hand this _____ day of September, 1964.

_____

Carl H. Becker, Deputy Clerk

* * * * * * * *

The hearing being completed, the regular order of business was resumed.

President Beneke advised the Board that Mr. Futhey had contacted him stating that the application for financial aid to the Community Facilities Division is ready for approval by the Board of Commissioners, and the Planning & Development Committee of the City Council; whereupon Commissioner Hedrick made a motion which was seconded by Commissioner Pugh, that said meeting be held on Friday, September 18, at 10:30 A.M. The Clerk was instructed to notify the members of the Council committee, together with Mr. Ward Elliott, Mr. Wm. Futhey, Assistant City Manager Albert D. Howe, and Mr. James Schellhase, the time and place of this meeting.

Dr. Robert Sonneborn then appeared before the Board, and advised that in compliance with the law, all narcotics on hand at the County Sanitarium, had been returned to the U.S. Treasury Department, Bureau of Narcotics, and requested instructions as to the disposition of medicines on hand, and certain chattels. Upon motion by Commissioner Hedrick, seconded by Commissioner Pugh and carried, it was decided that these chattels and medicines be given to the hospitals, medical centers or other public branches of the government who would have use for same, and the distribution be left to the good judgment of Dr. Sonneborn, with the exception of the typewriter and the X-Ray machine.

The Clerk reported that arrangements had been made with Carl Church and Charles Louk, to act as watchmen at the Sanitarium from three o'clock in the afternoon, until seven o'clock in the morning, which left the period from 7:00 A.M., until 3:00 P.M. with no one in attendance, effective September 30, 1964. The matter was discussed at some length, and the Clerk was instructed to contact Mrs. Mabel Bowman to ascertain if she would be interested in acting as an attendant at the Sanitarium from 7:00 A.M. until 3:00 P.M., and live at the Nurses home, in order that someone would be there throughout the night. Inasmuch as all emoluments, with exception of rent, light and heat, will cease as of September 30, the following amounts would be paid:

Mrs. Mabel Bowman	- Seven days a week	-	$230.00 per month
Carl Church	- " " "	-	210.00 " "
Charles Louk	- " " "	-	230.00 " "

The Clerk was instructed to have the locks changed on the doors at the Nurses home, and a chain barrier placed across the road entering the County property.

The Clerk was further instructed to notify all employees of the Sanitarium that their services will be terminated as of September 30, 1964, but the Board will allow them two weeks severance pay.

This notice is also to express regrets that the lease with the Salvation Army could not be consummated, as it was the understanding that the Army would retain those of the present Sanitarium personnel who desired to stay. Further that Jerry Reinhardt and Charles Hall, be given notice to vacate the premises as soon as is possible to do so.

The Board then recessed meeting until Wednesday, September 16, 1964, at 12 o'clock Noon.

Carl H. Becker — Deputy Clerk

Charles C. Beneke — President

SEPTEMBER 16, 1964 - WEDNESDAY

A special meeting of The Board of Commissioners of the County of Ohio, was held at the Couty Court House, Wednesday, September 16, at 12:00 o'clock noon.

Present were: President Charles C. Beneke, and Commissioners Cecil L. Hedrick and Warren W. Pugh. President Beneke presided.

The purpose of this meeting was to examine the minutes of the meeting held Monday, September 14. After reading said minutes, upon motion by Commissioner Pugh, seconded by President Beneke. they were approved as read.

There being no further business, the meeting recessed until Friday, September 18, at 10:00 A.M.

Carl H. Becker — Deputy Clerk

Charles C. Beneke — President

SEPTEMBER 18, 1964 - FRIDAY

The Board of Commissioners of the County of Ohio met at the County Court House at 10:00 A.M.

Present were: President Chas C. Beneke, and Commissioners Cecil L.Hedrick and Warren W. Pugh. President Beneke presided.

Upon motion by Commr. Hedrick, seconded by Commr. Pugh, the minutes of the meeting of September 16 were read and approved.

The Mental Hygiene Commission reported the following hearings:

Jean Lynn Naegele
and
Cheryl Naegele - both suffering from mental deficiency and committed to the W. Va. Training School at St.Marys, W. Va.

Notary Public applications for - Steve Grammen and George K. Reed, were on motion, duly approved and ordered certified to the Governor.

Application for correction of Erroneous Assessments were, on motion duly seconded, approved and ordered certified to the State Auditor,Sheriff and Assessor for the following:

NAME	AMT.	DISTRICT
Bachmann Development Corp.	$375.60	Patterson
Campbell, James J.	34.88	Madison
Diss, Andrew V. & M.V.	8.06	Triad. - Wheeling
Maxwell,Allen L. & J.	114.02	Ritchie-Bethlehem

The Clerk reported receiving a request from Mrs. Mildred Fredrich,City-County Health nurse, for authority to transport a tubercular patient to Pinecrest Sanitarium. This patient was examined by Dr. Sonneborn, who made application for admittance of the patient to the Sanitarium. Mrs.Fredrich further made a request for an advance of $30.00 for expense of the trip, and an itemized account of her expenditures is to be submitted upon her return. Upon proper motion duly seconded and carried, the Clerk was instructed to approve the application for admission, and issue check to Mrs. Fredrich for the above amount requested.

The Clerk reported receiving the Brucellosis Test report from the County Veterinarian for the month of August. Said report was ordered filed.

ATTEST: A TRUE AND ACCURATE COPY

Administrator

BEFORE THE COUNTY COMMISSION
OF BROOKE COUNTY, WEST VIRGINIA

IN THE MATTER OF ENLARGING
OHIO COUNTY PUBLIC SERVICE
DISTRICT INTO BROOKE COUNTY

ORDER

On the 1st day of June, 1995, at a session of the Commission duly called and at which all of the Commissioners were present, the Commission conducted a public hearing in the Brooke County Commission Hearing Room at the Brooke County Courthouse in Wellsburg, West Virginia, commencing at 4:00 o'clock p.m., to consider and determine the feasibility of the following proposal, which proposal was made by the Commission on its own motion by order duly adopted and entered on May 11, 1995:

> That Ohio County Public Service District, a public corporation and political subdivision of the State of West Virginia which was heretofore created for the purpose of supplying water and sewer services within its existing territory, be enlarged to include and embrace the additional territory as hereinbelow described for the purpose of supplying sewer service to such territory:
>
> > Beginning at the intersection of the centerline of Short Creek Road (Ohio County Route 1) with the boundary line separating Ohio County and Brooke County, West Virginia; thence following said centerline of Short Creek Road in a northerly direction Eight Hundred (800) feet, more or less, to its intersection with the centerline of Girty's Point Road (Brooke County Route 2/2); thence following said centerline of Girty's Point Road in a northerly, then easterly direction Fourteen Thousand Six Hundred and Eighty (14,680) feet, more or less, to the intersection of the centerline of Girty's Point Road with the boundary line between Ohio County and Brooke County, West Virginia; thence with said boundary line in a westerly direction Eleven Thousand (11,000) feet, more or less, to the intersection of said boundary line with the waters of Short Creek; thence with the waters of Short Creek in a northerly direction One Thousand Eight Hundred and Eighty (1,880) feet, more or less, to the place of beginning.

IN THE MATTER OF
ENLARGING OHIO COUNTY
PUBLIC SERVICE DISTRICT
INTO MARSHALL COUNTY

On the 10th day of October, 1978, at a session of the Commission duly called and at which all of the Commissioners were present, the Commission conducted a public hearing in the Marshall County Commission Room at the Marshall County Courthouse in Moundsville, West Virginia, commencing at 10:00 o'clock A. M., to consider and determine the feasibility of the following proposals, which proposals were made by the Commission on its own motion by order duly adopted and entered on September 19, 1978:

1. That Ohio County Public Service District, a public corporation and political subdivision of the State of West Virginia which was heretofore created for the purpose of supplying water services within its existing territory be enlarged to include and embrace the additional territory as hereinbelow described:

Beginning at the West Virginia-Pennsylvania state line marker #31, which is located at the intersection of the Marshall County-Ohio County line with said state line.

Thence, from said point of beginning, and running with said state line, south 19, 710 feet, more or less, to the centerline of Enlow Fork in Majorsville;

Thence, running downstream in a southwesterly direction, with the centerline of Enlow Fork and thereby the south line of the old Sand Hill District, 5,600 feet, more or less, to the centerline intersection of said

Enlow Fork with Dunkard Fork, forming Wheeling Creek, at the northeast corner of the Marshall County Public Service District # 4;

Thence, continuing downstream in a westerly direction, with the centerline of Wheeling Creek and thereby the south line of the old Sand Hill District and the north line of said Public Service District # 4, 56,000 feet, more or less, to the centerline intersection of Wheeling Creek with Bald Eagle Run at the third described corner of said Marshall County Public Service District #4;

Thence, continuing downstream in a northerly direction, with the centerline of Wheeling Creek and thereby the west line of the Old Sand Hill District, 40,100 feet more o. less, to the Marshall County-Ohio County line;

Thence, in an easterly direction, with said county line, 37,500 feet more or less, to the place of beginning containing 26.65 square mile, more or less and being the same area formerly known as the Marshall County, Sand Hill magisterial district.

THEREUPON came M. J. Montgomery, a citizen of Sand Hill District, who tendered to the Commission for filing the affidavit of Sandy Green for the publisher of the Wheeling News Register, of the publication of notice that this hearing would be held at this time and place, and as well she tendered for filing her own affidavit stating that she had posted said Notice as required by law. Said affidavits were thereupon ORDERED filed by the Commission. And the Commission then proceeded to hear and consider the comments of all of the persons in attendance, affording all of them the opportunity to be heard with respect to said proposal made by the Commission.

And after hearing the arguments in favor of said motion and finding that there was no opposition thereto, the Commission does make the following findings of fact:

1. That the Clerk of the Commission caused notice of said hearing and the time and place thereof, and setting forth a description of the additional territory proposed for inclusion in Ohio County Public Service District, to be published in the Wheeling News Register, a qualified newspaper of general circulation in Marshall County, West Virginia, on September 29, 1978 and October 2, 1978, the first notice being more than ten days prior to said hearing.

2. That more than ten days prior to said hearing, there was posted in at least five conspicuous placed in the said territory proposed for inclusion in said District a notice containing the same information as was contained in the notice published on September 29, and October 2, 1978.

3. That affidavits filed heretofore, of the publication and posting of said notice were duly made by Sandy Green for the publisher of the said Wheeling News Register and by M. J. Montgomery both under oath, containing a copy of said notice as published and posted, showing the date of said publication and the costs thereof, and showing the date and places on and at which said M. J. Montgomery posted said notice, all in accordance with Chapter 59, Article 3, Section 4, of the Code of West Virginia of 1931, as amended.

4. That at said hearing on October 10, 1978, which was conducted not more than forty days and not less than twenty days from the date of the said Motion of the Commission making the aforesaid proposals and fixing said date for said hearing, no oral or written protest was made or filed by any person or persons to the aforesaid proposals.

5 That the enlargement of Ohio County Public Service District to include and embrace the additional territory set forth and hereinbefore described, within both its existing territory and said additional territory, and to include the construction or acquisition by purchase or otherwise, and the maintenance, operation, improvement, and extension of, public service properties supplying such water services, will be conducive to the preservation of public health, comfort and convenience of the existing territory of said District, will be conducive to the preservation of public health, comfort, and convenience of the additional territory proposed for inclusion in said District, and will be conducive to the preservation of public health, comfort, and convenience of

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6. That it is necessary, feasible, a into effect said proposal made by the Comm Motion duly adopted and made on September

7. That the description of the addit: proposed for inclusion in said District as set forth in the said Notice is sufficient territory embraced therein, and no cities, towns, or other municipal corporations, anc any other public service district, are incl territory.

On the motion of Commissioner G. Charl was seconded by Commissioner Richard B. War carried, it is accordingly

ADJUDGED and ORDERED by the Commission Public Service District, a public corporati subdivision of the State of West Virginia, hereby, enlarged to include and embrace the tory set forth and described in paragraph o of fact herein and that the said Ohio Count District as so enlarged, shall hereby inclu all of the territory set forth and describe graph; and it is further

ADJUDGED and ORDERED that the said Ohic Service District, as hereinbefore enlarged i with and granted all of the rights, powers, conferred by the laws of the State of West V particularly by Article 13A of Chapter 16 of

THE OHIO COUNTY COMMISSION
OF THE COUNTY OF OHIO

The Ohio County Commission of the County of Ohio met in Board Room of the County Court House on Friday, October 6, 19 at 2:35 p.m.

The meeting was called to order by Commissioner Anthony , those in attendance were Commissioner David R. DeProspero, Ad strator Thomas C. Samol and Legal Counselor Landers P. Bonenb Absent was President John I. Tominack.

Commissioner DeProspero made a motion, seconded by Commis Anthony, that the reading of the minutes of the regular meetir on September 20, 1978, and the minutes of the special meeting September 25, 1978, be dispensed with and approved as presente carried.

STAFF REPORTS

Election Clerk Neva Wolen reported to the Commission that office has been really busy with voters registering. Administ Samol assisted Election Clerk Wolen with the programming test everything is in real good shape.

Administrator Thomas Samol stated that all County offices be closed Monday, October 9, 1978, in observance of Columbus D except those offices required by statute to remain open.

Legal Counselor Landers Bonenberger requested the Commissi review the proposed lease with West Virginia Energys regarding leasing of ground at the Ohio County Airport and also the propos lease with the Ohio Valley Regional Transportation Authority re ing ground transportation to and from the Ohio County Airport.

Counselor Bonenberger reported orally to the Commission th received a call from the Attorney General's Office concerning e incurred at the hospital for patients taken there by municipal prior to being taken to the sheriff for custody. According to assistant attorney that Counselor Bonenberger spoke to, he indi that if a state or municipal authority takes a prisoner to the tal for treatment, they are responsible for any expenses incurr the treatment.

The modus operandi in Kanawha County is that the Sheriff w refuse custody of any prisoner who is in need of any medical tre ment and requires whoever places the individual under arrest to them to the hospital, guard them at the hospital at the arrestir authority's expense until they are in a condition to be placed i jail.

Counselor Bonenberger added that he will place in writing t Commission his opinion after he has received the written opinion the Attorney General's Office.

The following subjects were discussed regarding the propose lease with West Virginia Energys:

1. The need for the bid process on the construction of the proposed hangar.

2. West Virginia Energys is to purchase their fuel from Ohio County Airport authorities.

3. The Ohio County Commission have some kind of process of review in what type of building(s) are constructed on the leased ground.

4. The omission of "the consent will not be arbitrarily or unreasonably withheld" regarding the right of assignment

5. Clarifying "the Consumer Price Index".

CORRESPONDENCE

A letter has been received from Marshall County Prosecuting Attorney Mark Karl advising the Ohio County Commission that the Marshall County Commission has approved an extension of the Ohio County Public Service District to include the Sand Hill area.

A letter has been received from the Blue Ribbon Committee o the City of Wheeling extending their invitation for a member of Ohio County Commission to serve on its committee.

Commissioner Anthony made a motion, seconded by Commissione DeProspero, appointing Commissioner DeProspero to serve on the B Ribbon Committee as a representative of the Ohio County Commiss: Motion carried.

Notification has been received from the Economic Developme: Administration regarding the 10% minority business on the new a project that the Commission had requested. A waiver for the mi business has been granted with a 6.4% minority participation.

OLD BUSINESS

Commissioner DeProspero made a motion, seconded by Commiss Anthony, that $1,800.50 be granted to the Ohio County Youth Ser in view of the fact that the City of Wheeling has also granted The County's share will come from Reimbursable Contingences. M carried.

Commissioner DeProspero made a motion, seconded by Commis: Anthony, to approve the agreement between the Ohio County Comm: and the Ohio Valley Regional Transportation Authority regardin transportation at the Ohio County Airport contingent upon O.V. approval. Motion carried.

NEW BUSINESS

Commissioner DeProspero made a motion, seconded by Commis Anthony, that the Notary Public Applications for M. A. K. Omar Phyllis I. Russell, Joseph V. Dusci, Mary P. Lewyn, Pauline A. Ernest E. Bentfield, Patricia P. Tolbert, Raymond Tolbert, Pat Tolbert, Jeanne E. Springer, Thomas O. McKean and Arthur L. Mc be approved as submitted. Motion carried.

BILLS TO BE PAID

Commissioner DeProspero made a motion, seconded by Commi: Anthony, that the bills be paid as submitted. Motion carried

There being no further business at this time, the meetin adjourned at 3:10 p.m. The next regular meeting will be held Wednesday, October 18, 1978.

John J. Cominack, President

Thomas C. Samol, Administrato

ATTEST: A TRUE AND ACCURATE COPY

Administrator

MISCELLANEOUS ORDERS

REGULAR ADJOURNED SESSION OF THE COUNTY COURT OF BROOKE COUNTY, WEST VIRGINIA

HELD MONDAY, AUGUST 17, 1964

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The County Court of Brooke County, West Virginia met in regular session this 17th day of August 1964 at 6:30 P. M. at the Courthouse.

Present: Walter Harvey, President
J. A. Mulhollen and Bernard V. Kelly, Sr. Commissioners
E. C. Sommerville, Clerk

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A discussion was held by the Court concerning a resolution received by the Brooke County Court signed by the Ohio County Court with regards to the Ohio County Public Service District to be extended into Brooke County for the purpose of supplying water to the Incorporated Town of Bethany and also includes territory along Route 88, which is not under the jurisdiction of the town of Bethany. The Court delayed action on the matter until they receive legal advice on the matter. The Court also agreed that the matter should be taken up with the Brooke County Planning Commission.

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REGULAR ADJOURNED SESSION OF THE COUNTY COURT OF BROOKE COUNTY, WEST VIRGINIA

HELD THURSDAY, September 3, 1964

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The County Court of Brooke County, West Virginia met in regular adjourned session this 3rd. day of September 1964 at 6:30 P. M. at the Courthouse.

Present: Walter Harvey, President
J. A. Mulhollen and Bernard V. Kelly, Sr. Commissioners
E. C. Somerville, Clerk

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Mr. Charles D. Bell, Assistant Prosecuting Attorney met with the Court and discussed the proposed extension of the Ohio County Public Service District into Brooke County, for the purpose of supplying water to that area.

A motion was made by J. A. Mulhollen and seconded by Bernard V. Kelly, Sr. that the following resolution be adopted.

N O T I C E

I, E. C. Somerville, Clerk of the Brooke County Court, do hereby certify that at a regular meeting of said Brooke County, Court held on the 3rd. day of September, 1964, there being a quorum present, the attached Resolution was unanimously passed by said Brooke County Court.

Given under my hand this 3rd day of September, 1964.

E. C. Somerville
Clerk

RESOLUTION

BE IT HEREBY ORDERED AND RESOLVED BY THE COUNTY COURT OF BROOKE COUNTY, WEST VIRGINIA, that this County Court having received due notice of a he ring before the County Court of Ohio County, West Virginia, to be held upon the proposed amendment and extension of the boundaries of of Ohio County Public Service District to include the Town of Bethany and other territory within Brooke County, and this County Court having received and filed a certified copy of a resolution of the Common Council of said Town of Bethany consenting to the inclusion of said Town within said boundaries, and this County Court having received and filed a certified copy of an order and resolution of the County Court of Ohio County, West Virginia, entered August 10, 1964, in words and figures as follows:

"WHEREAS, by order of the County Court of Ohio County entered on the 17th day of November, 1958, following public hearing as required by statute, said County Court established Ohio County Public Service District and fixed the boundaries of said Public Service District as follows:

> The Territory of said Public Service District shall embrace all territory of Ohio County, West Virginia, not included at the date of adoption of the aforesaid order, within the corporate boundaries of any incorporated City, town or village; and

"WHEREAS, the Public Service Board of said District has moved the County Court to amend the description of the boundaries of said Public Service District as hereinafter stated; and

"WHEREAS, the County Court has determined to grant such motion and upon its own motion proposes to so amend said boundaries;

"BE IT ACCORDINGLY ORDERED AND RESOLVED by the County Court of Ohio County, West Virginia, that the County Court of Ohio County does hereby propose upon its own motion to amend the description of the boundaries of Ohio County Public Service District in order to include the territory embraced within the corporate limits of the Town of Bethany in Buffalo District of Brooke County, and further to include the territory in Brooke County bounded by a strip one mile wide on each side of the West Virginia State Route #88 from the Town of Bethany to the Ohio County line, a certified copy of a resolution of the Common Council of the Town of Bethany consenting to the inclusion of said Town within the boundaries of Ohio County Public Service District having been tendered to and inspected by this County Court and now hereby ordered to be filed herein.

"FURTHER ORDERED that the County Court hereby fixes the 31st day of August, 1964, said date being not more than forty not less than twenty days from the date of entry of this order, for a hearing before the County Court upon the said amendment of the boundaries of Ohio County Public Service District, said hearing to be held in the Ohio County Court Room in the City of Wheeling at the hour of 7:00 o'clock p.m. The County Court hereby directs the Clerk hereof to mail by certified mail to the County Court of Brooke County and to the Clerk thereof certified copies of this order to notify said County Court and said Clerk of said Clerk of said proposed amendment and of said hearing. The County Court further directs the Clerk hereof to cause

notice to be given of said hearing and the time and place thereof and a description of all the territory proposed to be included within the boundaries of said Public Service District by publication one time of this order, including the foregoing preambles, in a newspaper of general circulation published in Ohio County at least ten days prior to said hearing date, the costs of such publication to be paid by Ohio County Public Service District."

Thereafter, on the 31st day of August, 1964 at 7:00 o'clock p.m. the County Court of Ohio County extended the time for such hearing to the 14th day of September, 1964, at 7:00 o'clock p. m.

The Clerk of this County Court is hereby directed to cause notice of such hearing and the time and place thereof and a description of all territory proposed to be included within Ohio County Public Service District by publication one time of this entire order in a newspaper of general circulation published in Brooke County at least ten days prior to said hearing date, the costs of such publication to be paid by Ohio County Public Service District, and said Clerk is further directed to mail a certified copy of this order and resolution to the County Court of Ohio County.

The Court ordered that a legal notice be published in the Wellsburg Daily Herald in the September 4, 1964 issue notifying the public of a hearing to be held before the Ohio County Court in Wheeling, at the Courthouse on September 14, 1964 at 7:00 P. M.

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BEFORE THE COUNTY COMMISSION
OF OHIO COUNTY, WEST VIRGINIA

IN THE MATTER OF ENLARGING
OHIO COUNTY PUBLIC SERVICE
DISTRICT INTO BROOKE COUNTY

ORDER AND RESOLUTION

WHEREAS, the Public Service Board of the Ohio County Public Service District has requested the Ohio County Commission for an order amending the description of and expanding the territorial boundaries of the District, in order that the District could lawfully provide sewer service to the portion of Brooke County hereinafter described; and

WHEREAS, the Ohio County Commission has determined to grant such request, and upon its own motion proposes to amend and expand said boundaries as requested;

BE IT ACCORDINGLY ORDERED AND RESOLVED by the County Commission of Ohio County, West Virginia, that said Commission does hereby propose upon its own motion to amend the description of and expand the boundaries of the Ohio County Public Service District to include the following described territory situate in Buffalo District, Brooke County, West Virginia:

> Beginning at the intersection of the centerline of Short Creek Road (Ohio County Route 1) with the boundary line separating Ohio County and Brooke County, West Virginia; thence following said centerline of Short Creek Road in a northerly direction Eight Hundred (800) feet, more or less, to its intersection with the centerline of Girty's Point Road (Brooke County Route 2/2); thence following said centerline of Girty's Point Road in a northerly, then easterly direction Fourteen Thousand Six Hundred and Eighty (14,680) feet, more or less, to the intersection of the centerline of Girty's Point Road with the boundary line between Ohio County and Brooke County, West Virginia; thence with said boundary line in a westerly direction Eleven Thousand (11,000) feet, more or less, to the intersection of said boundary line with the waters of Short Creek; thence with the waters of Short Creek in a northerly direction One Thousand Eight Hundred and Eighty (1,880) feet, more or less, to the place of beginning.

I, GREGORY L. STEWART, DO HEREBY CERTIFY THAT THE INFORMATION ATTACHED IS A TRUE AND EXACT COPY OF THE ORIGINAL ORDER AND RESOLUTION DATED THE 7TH DAY OF DECEMBER, 1994, SIGNED BY THE OHIO COUNTY COMMISSIONERS, PROPOSING THE EXPANSION OF THE OHIO COUNTY PUBLIC SERVICE DISTRICT INTO BROOKE COUNTY.

GREGORY L. STEWART
ADMINISTRATOR, OHIO COUNTY

IT IS FURTHER ORDERED AND RESOLVED that the County Commission of Ohio County hereby fixes the 4th day of January, 1995, said date being not more than forty (40) and not less than twenty (20) days from the date of entry of this order, for a public hearing before the Ohio County Commission upon the said amendment and expansion of the boundaries of the Ohio County Public Service District, said hearing to be held in the meeting room of the Ohio County Commission at 9:00 o'clock a.m.

The County Commission hereby directs that a certified copy of this order be delivered to the County Commission of Brooke County, West Virginia, by certified mail, in order to notify said County Commission of the entry of this order and the date, place and time of the public hearing. This Commission further directs that notice be given of the public hearing and the time and place thereof, and setting forth a description of all the territory proposed to be included therein, by publishing this order one time in a newspaper of general circulation published in Ohio County at least ten (10) days prior to the date of the hearing, the cost of such publication to be paid by the Ohio County Public Service District, and by posting a copy of this order in at least five (5) conspicuous places in the territory proposed to be included in the District at least ten (10) days before the date of the public hearing.

ENTERED this 7th day of December, 1994.

John E. Fahey

W. G. Miller

Arthur L. McKenzie

BEFORE THE COUNTY COMMISSION
OF OHIO COUNTY, WEST VIRGINIA

IN THE MATTER OF ENLARGING
OHIO COUNTY PUBLIC SERVICE
DISTRICT INTO BROOKE COUNTY

ORDER

On the 4th day of January, 1995, at a session of the Commission duly called and at which all of the Commissioners were present, the Commission conducted a public hearing in the Ohio County Commission Hearing Room at the Ohio County Courthouse in Wheeling, West Virginia, commencing at 9:00 o'clock a.m., to consider and determine the feasibility of the following proposal, which proposal was made by the Commission on its own motion by order duly adopted and entered on December 7, 1994:

That Ohio County Public Service District, a public corporation and political subdivision of the State of West Virginia which was heretofore created for the purpose of supplying water and sewer services within its existing territory be enlarged to include and embrace the additional territory as hereinbelow described for the purpose of supplying sewer service to such territory:

> Beginning at the intersection of the centerline of Short Creek Road (Ohio County Route 1) with the boundary line separating Ohio County and Brooke County, West Virginia; thence following said centerline of Short Creek Road in a northerly direction Eight Hundred (800) feet, more or less, to its intersection with the centerline of Girty's Point Road (Brooke County Route 2/2); thence following said centerline of Girty's Point Road in a northerly, then easterly direction Fourteen Thousand Six Hundred and Eighty (14,680) feet, more or less, to the intersection of the centerline of Girty's Point Road with the boundary line between Ohio County and Brooke County, West Virginia; thence with said boundary line in a westerly direction Eleven Thousand (11,000) feet, more or less, to the intersection of said boundary line with the waters of Short Creek; thence with the waters of Short Creek in a northerly

I, GREGORY L. STEWART, DO HEREBY CERTIFY THAT THE INFORMATION ATTACHED IS A TRUE AND EXACT COPY OF THE ORIGINAL ORDER DATED THE 4TH DAY OF JANUARY, 1995, SIGNED BY COMMISSION PRESIDENT DAVID J. SIMS, EXPANDING THE OHIO COUNTY PUBLIC SERVICE DEISTRICT INTO BROOKE COUNTY.

GREGORY L. STEWART

direction One Thousand Eight Hundred and Eighty (1,880) feet, more or less, to the place of beginning.

THEREUPON came Edwin K. Clifford, a citizen of Ohio County, West Virginia, who tendered to the Commission for filing the affidavit of Bonnie Mattern for the publisher of the Wheeling Intelligencer, of the publication of notice that this hearing would be held at this time and place, and as well he tendered for filing his own affidavit stating that he had posted said Notice as required by law. Said affidavits were thereupon ORDERED filed by the Commission. And the Commission then proceeded to hear and consider the comments of all of the persons in attendance, affording all of them the opportunity to be heard with respect to said proposal made by the Commission.

And after hearing the arguments in favor of said motion and finding that there was no opposition thereto, the Commission does make the following findings of fact:

1. That the Clerk of the Commission caused notice of said hearing and the time and place thereof, and setting forth a description of the additional territory proposed for inclusion in Ohio County Public Service District, to be published in the Wheeling Intelligencer, a qualified newspaper of general circulation in Ohio County, West Virginia, on December 22, 1994, being more than ten days prior to said hearing.

2. That more than ten days prior to said hearing, there was posted in at least five conspicuous places in the said territory proposed for inclusion in said District a notice containing the same information as was contained in the notice published on December 22, 1994.

3. That affidavits filed heretofore, of the publication and posting of said notice were duly made by Bonnie Mattern for the publisher of the said Wheeling Intelligencer and Edwin K. Clifford both under oath, containing a copy of said notice as published and posted, all in accordance with

Chapter 59, Article 3, Section 4, of the Code of West Virginia of 1931, as amended.

4. That at said hearing on January 4, 1994, which was conducted not more than forty days and not less than twenty days from the date of the said Motion of the Commission making the aforesaid proposals and fixing said date for said hearing, no oral or written protest was made or filed by any person or persons to the aforesaid proposals.

5. That the enlargement of Ohio County Public Service District to include and embrace the additional territory set forth and hereinbefore described, within both its existing territory and said additional territory, and to include the construction or acquisition by purchase or otherwise, and the maintenance, operation, improvement, and extension of, public service properties supplying such sewer services, will be conducive to the preservation of public health, comfort and convenience of the existing territory of said District, will be conducive to the preservation of public health, comfort, and convenience of the additional territory proposed for inclusion in said District, and will be conducive to the preservation of public health, comfort, and convenience of said existing and additional territories combined.

6. That it is necessary, feasible, and proper to carry into effect said proposal made by the Commission by its said Motion duly adopted and made on December 7, 1994.

7. That the description of the additional territory proposed for inclusion in said District as the same are set forth in the said Notice is sufficient to identify the territory embraced therein, and no cities, incorporated towns, or other municipal corporations, and no territory of any other public service district providing sewer services, are included in said territory.

On the motion of Commissioner Arthur L. McKenzie, which was seconded by Commissioner David Sims and unanimously carried, it is accordingly

ADJUDGED and ORDERED by the Commission that Ohio County Public Service District,

a public corporation and political subdivision of the State of West Virginia, be, and it is hereby, enlarged to include and embrace the additional territory hereinbefore set forth and described and that the said Ohio County Public Service District as so enlarged, shall hereby include and embrace all of the territory set forth and described in said paragraph for the purposes of providing sewer services therein; and it is further

ADJUDGED and ORDERED that the said Ohio County Public Service District, as hereinbefore enlarged is hereby invested with and granted all of the rights, powers, and authority conferred by the laws of the State of West Virginia, and particularly by Article 13A of Chapter 16 of the Code of West Virginia of 1931, as amended, upon public service districts created, constituted, established, and organized to furnish and supply both water facilities and services and sewerage facilities and services.

ENTER this 4th day of January, 1995.

COUNTY COMMISSION OF OHIO COUNTY,

By David J. Arms
President

BEFORE THE COUNTY COMMISSION OF BROOKE COUNTY, WEST VIRGINIA

IN THE MATTER OF ENLARGING OHIO COUNTY PUBLIC SERVICE DISTRICT INTO BROOKE COUNTY

ORDER AND RESOLUTION

WHEREAS, the Public Service Board of the Ohio County Public Service District has requested the Brooke County Commission for an order amending the description of and expanding the territorial boundaries of the District, in order that the District could lawfully provide sewer service to the portion of Brooke County hereinafter described; and

WHEREAS, the Brooke County Commission has determined to grant such request, and upon its own motion proposes to amend and expand said boundaries as requested;

BE IT ACCORDINGLY ORDERED AND RESOLVED by the County Commission of Brooke County, West Virginia, that said Commission does hereby propose upon its own motion to amend the description of and expand the boundaries of the Ohio County Public Service District to include the following described territory situate in Buffalo District, Brooke County, West Virginia:

> Beginning at the intersection of the centerline of Short Creek Road (Ohio County Route 1) with the boundary line separating Ohio County and Brooke County, West Virginia; thence following said centerline of Short Creek Road in a northerly direction Eight Hundred (800) feet, more or less, to its intersection with the centerline of Girty's Point Road (Brooke County Route 2/2); thence following said centerline of Girty's Point Road in a northerly, then easterly direction Fourteen Thousand Six Hundred and Eighty (14,680) feet, more or less, to the intersection of the centerline of Girty's Point Road with the boundary line between Ohio County and Brooke County, West Virginia; thence with said boundary line in a westerly direction Eleven Thousand (11,000) feet, more or less, to the intersection of said boundary line with the waters of Short Creek; thence with the waters of Short Creek in a northerly direction One Thousand Eight Hundred and Eighty (1,880) feet, more or less, to the place of beginning.

IT IS FURTHER ORDERED AND RESOLVED that the County Commission of Brooke County hereby fixes the 1st day of June, 1995, said date being not more than forty (40) and not less than twenty (20) days from the date of entry of this order, for a public hearing before the Brooke County Commission upon the said amendment and expansion of the boundaries of the Ohio County Public Service District, said hearing to be held in the meeting room of the Brooke County Commission at 4:00 o'clock p.m.

The County Commission hereby directs that a certified copy of this order be delivered to the County Commission of Ohio County, West Virginia, by certified mail, in order to notify said County Commission of the entry of this order and the date, place and time of the public hearing. This Commission further directs that notice be given of the public hearing and the time and place thereof, and setting forth a description of all the territory proposed to be included therein, by publishing this order one time in a newspaper of general circulation published in Brooke County at least ten (10) days prior to the date of the hearing, the cost of such publication to be paid by the Ohio County Public Service District, and by posting a copy of this order in at least five (5) conspicuous places in the territory proposed to be included in the District at least ten (10) days before the date of the public hearing.

ENTERED this 11th day of May, 1995.

David L. Hubbart

Norman A. Schwertfeger

Henry Wilson

COUNTY CLERK'S CERTIFICATION

STATE OF WEST VIRGINIA
County of Brooke, } ss

I, SYLVIA J. BENZO, Clerk of the County Court of Brooke County, the same being a Court of Record, having the custody of the Files, Journals and Records of said County, do certify that the foregoing is a true and accurate copy of Order and Resolution in the matter of enlarging Ohio County Public Service District into Brooke County. Henry A. Wilson having made a motion, seconded by Norman Schwertfeger, and unanimously passed to authorize President Gilchrist to sign said Order as the same appears of record in my office, in Miscellaneous Orders Book No. 23, Page 235, and I further certify that I have carefully compared the foregoing copy with the original record and 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 Court, at Wellsburg, Brook County, West Virginia, this 21st day of August, 19 97.

Sylvia J Benzo
Clerk County Court, Brooke County, WV

By _____
Deputy

Thereupon came Edwin K. Clifford, General Manager of the Ohio County Public Service District, who tendered to the Commission for filing a copy of the affidavit of Bonnie Mattern for the publisher of The Wheeling Intelligencer, of the publication of notice that this hearing would be held at this time and place, and as well he tendered for filing his own affidavit stating that he had posted said notice as required by law. Said affidavits were thereupon **ORDERED** filed by the Commission.

The Commission then proceeded to hear and consider the comments of all persons in attendance, affording all of them the opportunity to be heard with respect to said proposal made by the Commission. And after hearing the arguments in favor of said motion and finding that there was no opposition thereto, the Commission does make the following findings of fact:

1. That the Clerk of the Commission caused notice of said hearing and the time and place thereof, and setting forth a description of the additional territory proposed for inclusion in Ohio County Public Service District, to be published in The Wheeling Intelligencer. a qualified newspaper of general circulation in Brooke County, West Virginia, on May 19. 1995, being more than ten (10) days prior to said hearing.

2. That more than ten (10) days prior to said hearing, there was posted in at least five (5) conspicuous places in the said territory proposed for inclusion in said District a notice containing the same information as was contained in the notice published on May 19, 1995.

3. That affidavits filed heretofore of the publication and posting of said notice were duly made by Bonnie Mattern for the publisher of the said Wheeling Intelligencer and Edwin K. Clifford, both under oath, containing a copy of said notice as published and posted, all in accordance with Chapter 59, Article 3, Section 4, of the Code of West Virginia of 1931, as amended.

4. That at said hearing on June 1, 1995, which was conducted not more than forty (40) days and not less than twenty (20) days from the date of the said motion of the Commission making

the aforesaid proposals and fixing said date for said hearing, no oral or written protest was made or filed by any person or persons to the aforesaid proposals.

5. That the enlargement of Ohio County Public Service District to include and embrace the additional territory set forth and hereinbefore described, within both its existing territory and said additional territory, and to include the construction or acquisition by purchase or otherwise, and the maintenance, operation, improvement, and extension of, public service properties supplying such sewer services, will be conducive to the preservation of public health, comfort and convenience of the existing territory of said District, will be conducive to the preservation of public health, comfort, and convenience of the additional territory proposed for inclusion in said District, and will be conducive to the preservation of public health, comfort, and convenience of said existing and additional territories combined.

6. That it is necessary, feasible, and proper to carry into effect said proposal made by the Commission by its said motion duly adopted and made on May 11, 1995.

7. That the description of the additional territory proposed for inclusion in said District as the same are set forth in the said notice is sufficient to identify the territory embraced therein, and no cities, incorporated towns or other municipal corporations, and no territory of any other public service district currently providing sewer services, are included in said territory.

On the motion of Commissioner Henry Wilson, which was seconded by Commissioner Norman A. Schwertfeger and unanimously carried, it is accordingly

ADJUDGED and ORDERED by the Commission that Ohio County Public Service District, a public corporation and political subdivision of the State of West Virginia, be, and it is hereby enlarged to include and embrace the additional territory hereinbefore set forth and described, and that the said Ohio County Public Service District as so enlarged, shall hereby include and embrace all

of the territory set forth and described in said paragraph for the purposes of providing sewer services therein; and it is further

ADJUDGED and ORDERED that the said Ohio County Public Service District, as hereinbefore enlarged, is hereby invested with and granted all of the rights, powers, and authority conferred by the laws of the State of West Virginia, and particularly by Article 13A of Chapter 16 of the Code of West Virginia of 1931, as amended, upon public service districts created, constituted, established, and organized to furnish and supply both water facilities and services and sewerage facilities and services.

ENTERED this 1st day of June, 1995.

COUNTY COMMISSION OF BROOKE COUNTY,

By David L. Hilebrist
President

BEFORE THE COUNTY COMMISSION
OF BROOKE COUNTY, WEST VIRGINIA

IN THE MATTER OF ENLARGING)
OHIO COUNTY PUBLIC SERVICE)
DISTRICT INTO BROOKE COUNTY)

AFFIDAVIT

STATE OF WEST VIRGINIA,
COUNTY OF OHIO, To-wit:

Before the undersigned authority appeared Edwin K. Clifford, who, having first been duly sworn according to law, did depose and say:

1. That he is the General Manager of the Ohio County Public Service District;

2. That more than ten (10) days prior to June 1, 1995, he posted in five (5) conspicuous places in the said territory proposed for inclusion in said District a copy of the Order entered by the Ohio County Commission on May 11, 1995, which order gave notice of the public hearing and which contained the same information as was contained in the notice published on May 19, 1995, in the Wheeling Intelligencer;

3. And further the affiant saith naught.

Edwin K. Clifford

Taken, subscribed and sworn to before me this 1st day of June, 1995.

Karen L. Barnhart
Notary Public

My commission expires:
4-9-96

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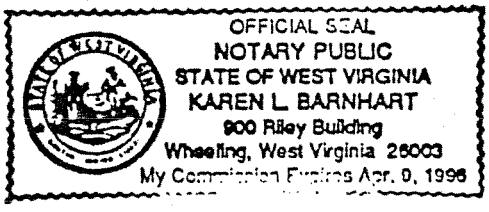

BEFORE THE COUNTY COMMISSION
OF BROOKE COUNTY, WEST VIRGINIA

IN THE MATTER OF ENLARGING
OHIO COUNTY PUBLIC SERVICE
DISTRICT INTO BROOKE COUNTY

ORDER AND RESOLUTION

WHEREAS, the Public Service Board of the Ohio County Public Service District has requested the Brooke County Commission for an order amending the description of and expanding the territorial boundaries of the District, in order that the District could lawfully provide sewer service to the portion of Brooke County hereinafter described; and

WHEREAS, the Brooke County Commission has determined to grant such request, and upon its own motion proposes to amend and expand said boundaries as requested;

BE IT ACCORDINGLY ORDERED AND RESOLVED by the County Commission of Brooke County, West Virginia, that said Commission does hereby propose upon its own motion to amend the description of and expand the boundaries of the Ohio County Public Service District to include the following described territory situate in Buffalo District, Brooke County, West Virginia:

Beginning at the intersection of the centerline of Short Creek Road (Ohio Count Route 1) with the boundary line separating Ohio County and Brooke County, West Virginia; thence following said centerline of Short Creek Road in a northerly direction Eight Hundred (800) feet, more or less, to the intersection with the centerline of Girty's Point Road (Brooke County Route 2/2); thence following said centerline of Girty's Point Road in a northerly, then easterly direction Fourteen Thousand Six Hundred and Eighty (14,680) Feet, more or less, to the intersection of the centerline of Girty's Point Road with the boundary line between Ohio County and Brooke County, West Virginia; thence with said boundary line in a westerly direction Eleven Thousand (11,000) feet, more or less, to the intersection of said boundary line with the waters of Short Creek; thence with the waters of Short Creek in a northerly direction One Thousand Eight Hundred and Eighty (1,880) feet, more or less, to the place of beginning.

IT IS FURTHER ORDERED AND RESOLVED that the County Commission of Brooke County hereby fixes the 1st day of June, 1995, said date being not more than forty (40) and not less than twenty (20) days from the date of entry of this order, for a public hearing before the Brooke County Commission upon the said amendment and expansion to the boundaries of the Ohio County Public Service District, said hearing to be held in the meeting room of the Brooke County Commission at 4:00 p.m.

The County Commission hereby directs that a certified copy of this order be delivered to the County Commission of Ohio County, West Virginia, by certified mail, in order to notify said County Commission of the entry of this order and the date, place and time of the public hearing. This Commission further directs that notice be given of the public hearing and the time and place thereof, and setting forth a description of all the territory proposed to be included therein, by publishing this order one time in a newspaper of general circulation published in Brooke County at least ten (10) days prior to the date of the hearing, the cost of such publication to be paid by the Ohio County Public Service District, and by posting a copy of this order in at least five (5) conspicuous places in the territory proposed to be included in the District at least ten (10) days before the date of the public hearing.

ENTERED this 11th day of May, 1995.

Daniel L. Gilchrist

Norman A. Schwertfeger

STATE OF WEST VIRGINIA,
COUNTY OF OHIO.

I, Bonnie Mattern *for the publisher of the*

~~WHEELING NEWS-REGISTER~~
WHEELING INTELLIGENCER *newspapers published in the CITY OF WHEELING, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:*

May 19, 1995

commencing on the 19 *day of* May, *19* 95

Given under my hand this 23 *day of* May, *19* 95

Bonnie Mattern

Sworn to and subscribed before me this 23rd *day of* May *19* 95 *at WHEELING, OHIO COUNTY, WEST VIRGINIA*

Jean Diane Barnes
Notary Public

of, in and for OHIO COUNTY, WEST VIRGINIA.

My Commission expires April 12, 2005

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JEAN DIANE BARNES
513 Main Street
Benwood, West Virginia 26031
My Commission Expires Apr. 12, 2005

COUNTY CLERK'S CERTIFICATION

STATE OF WEST VIRGINIA
County of Brooke, } ss

I, SYLVIA J. BENZO, Clerk of the County Court of Brooke County, the same being a Court of Record, having the custody of the Files, Journals and Records of said County, do certify that the foregoing is a true and accurate copy of Order in the matter of enlarging Ohio County Public Service District into Brooke County, said Order passed by unanimous vote of the Commission on June 1, 1995 as the same appears of record in my office, in Miscellanous Orders Book No. 23, Page 235, and I further certify that I have carefully compared the foregoing copy with the original record and 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 Court, at Wellsburg, Brook County, West Virginia, this 21st day of August, 19 97.

Sylvia J Benzo
Clerk County Court, Brooke County, WV

By _____
Deputy

C852-11

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
10-16-95

Entered: September 26, 1995

CASE NO. 95-0409-PSD-PC

BROOKE COUNTY COMMISSION
Petition to expand boundaries of
Ohio County Public Service District
to provide sewer service in Buffalo
District, Brooke County.

RECOMMENDED DECISION

On May 17, 1995, the Brooke County Commission filed a petition for approval to enlarge the boundaries of the Ohio County Public Service District to provide sewer service to an area in Buffalo District, Brooke County, in accordance with West Virginia Code §16-13A-2.

By Order dated May 26, 1995, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before December 13, 1995.

In a Final Joint Staff Memorandum filed June 22, 1995, Drexel M. Vealey, Esquire, Staff Attorney, along with William A. Nelson, Utilities Financial Analyst, Public Service District Division, explained that the petition filed by the Brooke County Commission is to expand the boundaries of the Ohio County Public Service District to provide sewer service in the Buffalo District of Brooke County. The petition also included a resolution and order adopted by the Ohio County Commission. This resolution was required since a majority of the Ohio County Public Service District's territory is situated in Ohio County. Messrs. Vealey and Nelson explained that this boundary expansion is requested in accordance with the provisions of West Virginia Code §16-13A-2. Both County Commissions had held their required public hearings to address the boundary expansion. Proper publication was made and public hearings were held on the boundary expansion and no protest was made at either hearing held. Both the Ohio and Brooke County Commissions adopted orders enlarging the District's boundaries by the metes and bounds description stated in the orders. In concluding their Memorandum, Messrs. Vealey and Nelson recommended that the Ohio County Public Service District's boundaries be expanded to permit it to provide sewer service to the Buffalo District of Brooke County, and that a hearing, as required by West Virginia Code §16-13A-2, be scheduled for these proceedings.

CONCLUSION OF LAW

The Administrative Law Judge is of the opinion and finds that, since a public hearing was held in Brooke County, in accordance with the provisions of West Virginia Code §16-13A-2, on the petition filed by the Brooke County Commission, and no one appeared at the hearing to protest the petition, said petition can be approved as an unprotested case.

ORDER

IT IS, THEREFORE, ORDERED that the petition of the Brooke County Commission, filed on May 17, 1995, to enlarge the boundaries of the Ohio County Public Service District to provide sewer service in the Buffalo District, Brooke County, be, and the same hereby is, granted and the Brooke County Commission Order dated May 11, 1995, be, and it hereby is, approved.

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

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

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

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

Robert W. Glass
Administrative Law Judge

RWG:pst

BEFORE THE COUNTY COMMISSION
OF OHIO COUNTY, WEST VIRGINIA

IN THE MATTER OF ENLARGING)
OHIO COUNTY PUBLIC SERVICE)
DISTRICT TO INCLUDE VILLAGE)
OF VALLEY GROVE)

ORDER AND RESOLUTION

WHEREAS, the Ohio County Public Service District was created by the Ohio County Commission on November 17, 1958, to include all of Ohio County which, as of the date of the creation of the District, was not within the corporate boundaries of any incorporated city, town or village; and

WHEREAS, the Village of Valley Grove was incorporated in 1951, and, therefore, the territory of said municipality is not within the territory of the Ohio County Public Service District; and

WHEREAS, the Village of Valley Grove desires to have the Ohio County Public Service District construct, maintain, and operate a sanitary sewer system within the corporate limits of the Village in order to serve the residents thereof; and

WHEREAS, the Village of Valley Grove has adopted a resolution consenting to the inclusion of the territory located within the corporate limits of the Village into the territory of the Ohio County Public Service District and requesting the Ohio County Commission to enlarge the territory of the Ohio County Public Service District to include the territory of the Village of Valley Grove, a copy of which resolution is attached hereto; and

I, GREGORY L. STEWART, DO HEREBY CERTIFY THAT THE INFORMATION ATTACHED IS A TRUE AND EXACT COPY OF THE ORIGINAL ORDER AND RESOLUTION SIGNED BY THE OHIO COUNTY COMMISSIONERS ON THE 5TH DAY OF JUNE, 1996 PROPOSING THE EXPANSION OF THE OHIO COUNTY PUBLIC SERVICE DISTRICT TO INCLUDE THE VILLAGE OF VALLEY GROVE.

WHEREAS, the Public Service Board of the Ohio County Public Service District has requested the Ohio County Commission for an order amending the description of and expanding the territorial boundaries of the District, in order that the District could lawfully provide sewer service to the Village of Valley Grove; and

WHEREAS, the Ohio County Commission has determined to grant such request, and upon its own motion proposes to amend and expand said boundaries as requested;

BE IT ACCORDINGLY ORDERED AND RESOLVED by the County Commission of Ohio County, West Virginia, that said Commission does hereby propose upon its own motion to amend the description of and expand the boundaries of the sewer service territory of the Ohio County Public Service District to include all territory situate within the corporate boundaries of the Village of Valley Grove, Ohio County, West Virginia.

IT IS FURTHER ORDERED AND RESOLVED that the County Commission of Ohio County hereby fixes the 3RD day of July, 1996, said date being not more than forty (40) and not less than twenty (20) days from the date of entry of this Order, for a public hearing before the Ohio County Commission upon the said amendment and expansion of the boundaries of the Ohio County Public Service District, said hearing to be held in the meeting room of the Ohio County Commission at 9:00 o'clock a.m.

This Commission further directs that notice be given of the public hearing and the time and place thereof, and setting forth a description of all the territory proposed to be included therein, by publishing this Order one time in a newspaper of general circulation published in Ohio County at least ten (10) days prior to the date of the hearing, the cost of

such publication to be paid by the Ohio County Public Service District, and by posting a copy of this Order in at least five (5) conspicuous places in the territory proposed to be included in the District at least ten (10) days before the date of the public hearing.

ENTERED this 5th day of June, 1996.

David J. Sims

Arthur L. LaLonzi

W. G. Miller

COMMISSIONERS

BEFORE THE COUNTY COMMISSION
OF OHIO COUNTY, WEST VIRGINIA

IN THE MATTER OF ENLARGING
OHIO COUNTY PUBLIC SERVICE
TO INCLUDE THE VILLAGE OF
VALLEY GROVE

ORDER

On the 7th day of July, 1996, at a session of the Commission duly called and at which all of the Commissioners were present, the Commission conducted a public hearing in the Ohio County Commission Hearing Room at the Ohio County Courthouse in Wheeling, West Virginia, commencing at 9:00 o'clock a.m., to consider and determine the feasibility of the following proposal, which proposal was made by the Commission on its own motion by order duly adopted and entered on June 5, 1996:

WHEREAS, the Ohio County Public Service District was created by the Ohio County Commission on November 17, 1958, to include all of Ohio County which, as of the date of the creation of the District, was not within the corporate boundaries of any incorporated city, town or village; and

WHEREAS, the Village of Valley Grove was incorporated in 1951, and, therefore, the territory of said municipality is not within the territory of the Ohio County Public Service District; and

WHEREAS, the Village of Valley Grove desires to have the Ohio County Public Service District construct, maintain, and operate a sanitary sewer system within the corporate limits of the Village in order to serve the residents thereof; and

WHEREAS, the Village of Valley Grove has adopted a resolution consenting to the inclusion of the territory located within the corporate limits of the Village into

I, GREGORY L. STEWART, DO HEREBY CERTIFY THAT THE INFORMATION ATTACHED IS A TRUE AND EXACT COPY OF THE ORIGINAL ORDER SIGNED BY THE COMMISSION PRESIDENT, DAVID J. SIMS, DATED THE 7TH DAY OF AUGUST, 1996, EXPANDING THE OHIO COUNTY PUBLIC SERVICE DISTRICT TO INCLUDE THE VILLAGE OF VALLEY GROVE.

GREGORY L. STEWART

the territory of the Ohio County Public Service District and requesting the Ohio County Commission to enlarge the territory of the Ohio County Public Service District to include the territory of the Village of Valley Grove, a copy of which resolution is attached hereto; and

WHEREAS, the Public Service Board of the Ohio County Public Service District has requested the Ohio County Commission for an order amending the description of and expanding the territorial boundaries of the District, in order that the District could lawfully provide sewer service to the Village of Valley Grove; and

WHEREAS, the Ohio County Commission has determined to grant such request, and upon its own motion proposes to amend and expand said boundaries as requested;

BE IT ACCORDINGLY ORDERED AND RESOLVED by the County Commission of Ohio County, West Virginia, that said Commission does hereby propose upon its own motion to amend the description of and expand the boundaries of the sewer service territory of the Ohio County Public Service District to include all territory situate within the corporate boundaries of the Village of Valley Grove, Ohio County, West Virginia.

THEREUPON came Edwin K. Clifford, a citizen of Ohio County, West Virginia, who tendered to the Commission for filing the affidavit of Bonnie Mattern for the publisher of the Wheeling Intelligencer, of the publication of notice that this hearing would be held at this time and place, and as well he tendered for filing his own affidavit stating said Notice had been posted as required by law. Said affidavits were thereupon ORDERED filed by the Commission. And the Commission then proceeded to hear and consider the comments of all of the persons in attendance, affording all of them the opportunity to be heard with respect to said proposal made by the Commission.

And after hearing the arguments in favor of said motion and finding that there was no opposition thereto, the Commission does make the following findings of fact:

1. That the Clerk of the Commission caused notice of said hearing and the time and place thereof, and setting forth a description of the additional territory proposed for inclusion in Ohio County Public Service District, to be published in the Wheeling Intelligencer, a qualified newspaper of general circulation in Ohio County, West Virginia, on July 13, 1996, being more than ten days prior to said hearing.

2. That more than ten days prior to said hearing, there was posted in at least five conspicuous places in the said territory proposed for inclusion in said District a notice containing the same information as was contained in the notice published on July 13, 1996.

3. That affidavits filed heretofore, of the publication and posting of said notice were duly made by Bonnie Mattern for the publisher of the said Wheeling Intelligencer and Edwin K. Clifford both under oath, containing a copy of said notice as published and posted, all in accordance with Chapter 59, Article 3, Section 4, of the Code of West Virginia of 1931, as amended.

4. That at said hearing on August 7, 1996, which was conducted not more than forty days and not less than twenty days from the date of the said Motion of the Commission making the aforesaid proposals and fixing said date for said hearing, no oral or written protest was made or filed by any person or persons to the aforesaid proposals.

5. That the enlargement of Ohio County Public Service District to include and embrace the additional territory set forth and hereinbefore described, within both its existing territory and said additional territory, and to include the construction or acquisition by purchase or otherwise, and the maintenance, operation, improvement, and extension of, public service properties supplying such sewer services, will be conducive to the preservation of public health, comfort and convenience of the existing territory of said District, will be conducive to the preservation of public health, comfort,

and convenience of the additional territory proposed for inclusion in said District, and will be conducive to the preservation of public health, comfort, and convenience of said existing and additional territories combined.

6. That it is necessary, feasible, and proper to carry into effect said proposal made by the Commission by its said Motion duly adopted and made on July 3, 1996.

7. That the Village of Valley Grove, acting by and through its duly elected council, has consented in writing to the inclusion of the territory embraced within the boundaries of said Village within the sewer service territory of the Ohio County Public Service District.

On the motion of Commissioner Arthur L. McKenzie, which was seconded by Commissioner David Sims and unanimously carried, it is accordingly

ADJUDGED and ORDERED by the Commission that Ohio County Public Service District, a public corporation and political subdivision of the State of West Virginia, be, and it is hereby, enlarged to include and embrace that property situate within the corporate boundaries of the Village of Valley Grove and that the said Ohio County Public Service District shall hereby include and embrace such territory for the purposes of providing sewer services therein; and it is further

ADJUDGED and ORDERED that the said Ohio County Public Service District, as hereinbefore enlarged is hereby invested with and granted all of the rights, powers, and authority conferred by the laws of the State of West Virginia, and particularly by Article 13A of Chapter 16 of the Code of West Virginia of 1931, as amended, upon public service districts created, constituted, established, and organized to furnish and supply both water facilities and services and sewerage facilities and services.

ENTER this 7th day of August, 1996.

COUNTY COMMISSION OF OHIO COUNTY,

By David J. Sims
President

THE VILLAGE OF VALLEY GROVE

The undersigned, as the duly elected and acting Recorder of the Village of Valley Grove, West Virginia, a municipal corporation existing under and by virtue of the laws of The State of West Virginia, does hereby certify that the following is a true, correct, and complete copy of a resolution adopted by the Council of the Village of Valley Grove at a meeting held on the 8th day of May, 1996, at which meeting a quorum was present, and that such resolution is in full force and effect:

WHEREAS, the Ohio County Public Service District was created by the Ohio County Commission on November 17, 1958, to include all of Ohio County which, as of the date of the creation of the District, was not within the corporate boundaries of any incorporated city, town or village; and

WHEREAS, the Village of Valley Grove was incorporated in 1951, and, therefore, the territory of said municipality is not within the territory of the Ohio County Public Service District; and

WHEREAS, the Village of Valley Grove desires to have the Ohio County Public Service District construct, maintain, and operate a sanitary sewer system within the corporate limits of the Village in order to serve the residents thereof;

NOW, THEREFORE, BE IT RESOLVED, That the Village of Valley Grove hereby consents to the inclusion of the territory located within the corporate limits of the Village into the territory of the Ohio County Public Service District and requests the Ohio County Commission to enlarge the territory of the Ohio County Public Service District to include the territory of the Village of Valley Grove.

IN WITNESS WHEREOF, I have hereunto affixed my signature and seal of the Village of Valley Grove this 8th day of May, 1996.

VILLAGE OF VALLEY GROVE

By: Patty L. Naumann
Recorder

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: January 29, 1997

FINAL
2-18-97

CASE NO. 96-1011-PSD-PC

OHIO COUNTY COMMISSION
Petition for consent and approval to enlarge the area of the Ohio County Public Service District to provide sewer service to include the Village of Valley Grove

RECOMMENDED DECISION

On August 11, 1996, the Ohio County Commission (County) filed a petition for Commission consent and approval of an adjustment to the service boundaries of the Ohio County Public Service District (District). The County proposed enlarging the District's boundaries to include the Village of Valley Grove (Village). The County's petition asserts that the Village requested the boundary modification in order to receive service by the District. Attached to the petition was a copy of a resolution by the Village which consented to being within the District's service boundaries. The petition further stated that the County published the required notice and held a public hearing on the matter. A copy of the affidavit of publication was also attached to the petition.

On September 19, 1996, Staff filed an Initial Joint Staff Memorandum which indicated that the County had substantially complied with W.Va. Code § 16-13A-2. Staff also indicated that it had issued a discovery request to help it determine if the County's petition complied with Rule 6.4 of the Commission's Rules and Regulations for the Government of Public Service Districts. On September 30, 1996, the County responded to the Staff discovery request.

On September 30, 1996, the Commission referred the matter to the Division of Administrative Law Judges. The Commission established a decision due date of March 10, 1997.

On October 16, 1996, Staff filed a Final Joint Staff Memorandum. Staff stated that the County's petition complies with Rule 6.4. Staff further recommended that the County's petition be approved by the Commission.

On January 13, 1997, the matter was set for public hearing in Ohio County pursuant to the requirements of W.Va. Code §16-13A-2. The January 13 Procedural Order required the County Commission to publish notice of the hearing. The notice informed the public that it could file written protests

to the petition or appear at the hearing to make public statements regarding the County's petition to modify the boundaries of the District.

On January 27, 1997, the public hearing was held in Ohio County at Wheeling at the City Council Chambers. John Preston Bailey, Esq., appeared on behalf of the County. J. Joseph Watkins, Esq., appeared on behalf of the Staff of the Commission. No individual appeared to make public statements.

DISCUSSION

The Village currently has no public sewer system. See County Response to Staff Data Request at 2. Residents of the Village currently rely on individual septic systems or discharge directly into the Little Wheeling Creek. Id. The Village has approximately 175 potential sewer customers. Id. The District's nearest sewer line to the Village is located at the bottom of Dixon's Run just below the Village. Id. at 5. Given the relatively small size of the Village, it was deemed to be more financially feasible to have the District provide sewer service. Id. at 6. The Village requested that the County modify the District's boundaries in order to permit the District to serve the Village. The Village formally consented to being included in the District's service territory by enacting a resolution. See Resolution dated May 8, 1996.

The County published appropriate notice and held a public hearing on the matter. See Petition and attached documents. The County petitioned the Commission for its consent and approval pursuant to W.Va. Code §16-13A-2.

After its review, Staff recommended to the Commission on October 16, 1996, that the County's petition be granted. See Staff Ex. 1.

The Commission ordered the County to publish notice of a hearing to be held on January 27, 1997, in Wheeling for the purpose of taking public comment on the County's petition. The County caused the proper notice to be published. See County Ex. 1. The hearing was held and no public comment was offered.

The record demonstrates that it is in the public interest to grant the County's petition. The boundaries of the District should be enlarged to include the Village.

FINDINGS OF FACT

1. On August 11, 1996, the County filed a petition for Commission consent and approval of an adjustment to the service boundaries of the District so that the District's service territory would include the Village.

2. On May 8, 1996, the Village adopted a resolution consenting to the inclusion of the Village in the District's service territory. (See Certified Copy of Resolution).

3. On October 16, 1996, Staff of the Commission recommending granting the County's petition. (See Staff Ex. 1).

4. On January 20, 1997, the County published notice of a public hearing to be held on January 27, 1997, in Wheeling for the purpose of taking public comment. (See County Ex. 1).

5. A hearing was held on January 27, 1997 at City Council Chambers in Wheeling, Ohio County. (See Transcript generally).

6. No member of the public appeared to make comment regarding the County's petition. (See Transcript generally).

CONCLUSIONS OF LAW

1. The County has complied with the requirements of W.Va. Code §16-13A-2 in its actions related to enlarging the boundaries of the District.

2. The County has complied with the requirements of Rule 6.4 of the Commission's Rules and Regulations for the Government of Public Service Districts.

3. Expanding the District's boundaries to enable it to provide sewer service to the Village of Valley Grove is in the public interest.

4. The County Commission's August 7, 1996 order adjusting the boundaries of the Ohio County Public Service District should be approved.

ORDER

IT IS, THEREFORE, ORDERED that the August 7, 1996 order of the Ohio County Commission enlarging the Ohio County Public Service District to include the Village of Valley Grove is hereby approved.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave 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 order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

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

Any party may request a waiver of the right to file exceptions to an Administrative Law Judge's order 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 Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

K. A. George

Keith A. George
Administrative Law Judge

KAG:s

THE OHIO COUNTY COMMISSION

1500 Chapline Street
215 City County Building
Wheeling West Virginia
26003

Tim McCormick, President
Randy Wharton
Orphy Klempa
Phone: (304) 234-3628
Fax: (304) 234-3827

January 4, 2013

Robert Luchetti
145 Point Run Rd
Triadelphia WV 26059

Dear Bob:

The Ohio County Commission at their meeting on Wednesday, January 2, 2013 voted unanimously to re-appoint you to the Ohio County Public Service District Board.

The Ohio County Commission would like to thank you for your willingness to continue to serve. If you have any further questions you may contact me at 304-234-3628.

Sincerely,

Gregory L. Stewart
Administrator, Ohio County

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THE OHIO COUNTY COMMISSION

1500 Chapline Street
215 City County Building
Wheeling, West Virginia
26003

Randy Wharton, President
David J. Sims
Tim McCormick
(304) 234-3628
Fax: (304) 234-3827

August 4, 2009

Mr. Bob Luchetti
Point Run Road
RR 2 Box 419
Triadelphia WV 26059

Dear Mr. Luchetti:

At our regular Commission meeting on Tuesday, August 4, 2009 the Ohio County Commission unanimously approved the renewal of Vic Perrone's term to the Ohio County Public Service District Board. His term will run from 11/01/2008 to 11/01/2014. Any further questions please contact me at 304-234-3628.

Sincerely Yours,

Gregory L. Stewart
Administrator, Ohio County

Cc: John Bailey
PSD Office

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THE OHIO COUNTY COMMISSION

1500 Chapline Street
215 City County Building
Wheeling, West Virginia
26003

David J. Sims, President
Tim McCormick
Randy Wharton
Phone: (304) 234-3628
Fax: (304) 234-3827

June 29, 2011

Daniel W. Dickinson Jr.
424 Dement Road
Triadelphia WV 26059

Dear Mr. Dickinson:

The Ohio County Commission unanimously approved your re-appointment to the Ohio County Public Service District Board. Your term will expire May 17, 2017. Any further questions you may contact me at 304-234-3628.

Sincerely yours,

Gregory L. Stewart
Administrator, Ohio County

GLS/tac

Cc: Kerry Marshall, Public Service District
Christopher P. Riley, Attorney

Oath of Office

STATE OF WEST VIRGINIA

COUNTY OF OHIO, TO-WIT:

I, Robert Luchetti, do solemnly swear that I will faithfully discharge the duties as Board Member of the Ohio County Public Service District to the best of my skill and judgment effective January 2, 2013 to December 31, 2018.

Robert Luchetti

Signature

Oath of Office

STATE OF WEST VIRGINIA

COUNTY OF OHIO, TO-WIT:

I, Vic Perrone, do solemnly swear that I will faithfully discharge the duties as Board Member of the Ohio County Public Service District to the best of my skill and judgment effective November 1, 2008 to November 1, 2014.

Vic Perrone

Victor T. Perrone

Signature

Oath of Office

STATE OF WEST VIRGINIA

COUNTY OF OHIO, TO-WIT:

I, Daniel Dickinson, Jr., do solemnly swear that I will faithfully discharge the duties as Board Member of the Ohio County Public Service District to the best of my skill and judgment effective June 29, 2011 to May 17, 2017.

Daniel Dickinson, Jr

Signature

RULES OF PROCEDURE

OHIO COUNTY PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: OHIO COUNTY PUBLIC SERVICE DISTRICT

Section 2. The principal office of this Public Service District will be located at 411 National Road, Triadelphia, West Virginia.

Section 3. The Common Seal of the District shall consist of two concentric circles between which circles shall be inscribed Ohio County 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 (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Ohio County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

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

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the third Thursday of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, 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. Unless otherwise waived, notice to members by letter or telephone shall be required for regular meetings. Unless otherwise waived, 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.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended, notice of the time and place of all regularly scheduled sessions of such Public Service Board, and the time, place and purpose of all special

sessions of such Public Service Board, shall be made available, in advance, to the public and news media as follows:

A. A notice shall be posted by the Secretary of the Public Service Board of the Public Service District at the front door of the Ohio County Courthouse and at the front door of the place fixed for the regular meetings of the Public Service Board of the time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled sessions. If a particular regularly scheduled session is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the front doors of the Courthouse and the meeting place as soon as feasible after such cancellation or postponement has been determined upon.

B. A notice shall be posted by the Secretary of the Public Service Board at the front door to the Ohio County Courthouse and at the front door of the place fixed for the regular meetings of the Public Service Board at least forty-eight hours before a special session is to be held, stating the time, place and purpose for which such special session shall be held. If the special session is cancelled, a notice of such cancellation shall be posted at the front doors of the Courthouse and the meeting place as soon as feasible after such cancellation has been determined upon.

C. The form of notice for posting as to a special session may be generally as follows:

OHIO COUNTY PUBLIC SERVICE DISTRICT

NOTICE OF SPECIAL SESSION

The Public Service Board of Ohio County Public Service District will meet in special session on _____, at _____ .m., prevailing time, at _____, West Virginia, for the following purposes:

1. To consider and act upon a proposed Bond Authorizing Resolution providing for the issuance of a _____ Bond, Series _____, of the District, in the principal amount of $_____, to provide

funds for construction of _____ _____ facilities of the District.

2.

_____
Secretary

Date: _____

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 hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. 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 Procedure may be altered, changed, amended or added to at any regular of 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.

05/22/86
OHPSD4-G

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 12-1401-PSD- CN,

OHIO COUNTY PUBLIC SERVICE DISTRICT,
a public utility, Triadelphia, Ohio County.

Application for a Certificate of Convenience and Necessity to construct a sanitary sewer main extension to the Dallas Pike area in the County of Ohio.

APPLICANT'S CERTIFICATE OF PUBLICATION
OF NOTICE OF FILING

TO: THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Pursuant to Rule No. 10 of the Commission's Rules of Practice and Procedure, West Virginia Code of State Rules §150-1-10.3.c.2, and the *Commission Procedural Order* entered October 9, 2012, the undersigned hereby certifies that a *Notice of Filing*, Form No. 14, has been published as a Class I legal advertisement in the following newspapers of general circulation in the District's service areas as required by Rule No. 10:

(i) In the Wheeling *Intelligencer* on October 16, 2012, as shown on Exhibit A hereto; and

(ii) In *Moundsville Daily Echo* on October 15, 2012, as shown on Exhibit B hereto.

OHIO COUNTY PUBLIC SERVICE DISTRICT, Applicant,

Dated: October 25, 2012.

By: _____
Of Counsel

Christopher P. Riley, WVSB#3108
Dinsmore & Shohl LLP
Bennett Square, 2100 Market Street
Wheeling, WV 26003
Tel. (304)230-1700; Fax (304)230-1610
Email: christopher.riley@dinsmore.com

Counsel for Ohio County Public Service District

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

ıtered by the Public Ser-
:e Commission of West
'ginia, in the City of
ıarleston on the 9th day
October, 2012.

CASE NO. 12-1401-PSD-CN

HIO COUNTY PUBLIC
ERVICE DISTRICT
public utility, Traidel-
ia, Ohio County.
)plication for a Certifi-
te of Convenience and
:cessity to construct a
nitary sewer main ex-
ısion to the Dallas Pike
ea in the County of
ıio, West virginia.

NOTICE OF FILING

ı October 9, 2012, the
ıio County Public Ser-
:e District (District) filed
application, duly veri-
d, for a Certificate to
ınstruct certain addi-
ns and improvements
the sanitary sewer sys-
m in Ohio County.

ıe project involves the
ınstruction of 8-inch,
inch and 4-inch sewer
rce mains in Dallas Pike
ea of Ohio County. An
inch inceptor force main
ll tie-in to the existing
inch force main at the
tersection of the Indus-
al Center Road and
cCutcheon-Buchannon
)ad. The new force
ain will be constructed
ong McCuthcheon
ıchannon Road, County
)ute 41/1, and Industrial
ark Road on the
ıutheast side of Inter-
ate 70. The force main
ll cross under Interstate
) along Dallas Pike
)ad and continue along
e West Alexander-
oolfire Road, County
oute 41/3, on the
)rthwest side of Inter-
ate 70.

ıe application is on file
th and available for pub-
inspection at the Public
ervice Commission, 201
ooks Street, in Charles-
n, West Virginia.

ıe District seeks a Cer-
icate to construct the
ewer force mains in ord-
to extend the District's
ırrent wastewater col-
ction system to the
eater Dallas Pike area
ıd allow new commer-
al and industrial users to
in to the District's sys-
m and retire private
stems that are less ef-
ctive, less efficient,
ore costly, or noncom-
iant with government
andards.
ıe District estimates
at construction will cost
)proximately
1,605,000.00. It is pro-
)sed that the construc-
)n will be financed by a
an from the Clean Wa-
r State Revolving Fund
r the entire project cost
$1,605,000.00, payable
ver 20 years at 2% in-
rest rate with a 1% ad-
inistration fee.

The utility anticipates that no rate increase will be required and that it will charge the following rates for its customers:

RATES
Service Charge: $9.96 per month
Usage Charge: $6.97 per 1,000 gallons of water usage per month

MINIMUM CHARGE
No bill will be rendered for less than $16.92 per month

The above minimum charge is subject to an additional $.01 per 1,000 gallons of water used per month.

FLAT RATE CHARGE
(Customers with non-meter water supply)
Equivalent of 4,500 gallons of water usage, $41.33 per month

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

TAP FEE
In accordance with the user agreements for this project, the District's Tap Fee will be waived for those new customers identified in the Certificate proceeding. Otherwise, the following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT
$2.64 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

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

SECURITY DEPOSIT
Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, or $50.00, whichever is greater. This fee may be changed by applicable statutory provisions.

The District has no resale customers.

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

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

OHIO COUNTY PUBLIC SERVICE DISTRICT
Int. Oct. 16, 2012

STATE OF WEST VIRGINIA,
COUNTY OF OHIO.

I Connie Baller *for the publisher of the* ***Intelligencer*** *newspaper published in the CITY OF WHEELING, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:*

10/16/12

Given under my hand this 17th *day of* Oct, 2012

Sworn to and subscribed before me this 17th *day of* Oct. 2012 *at WHEELING, OHIO COUNTY, WEST VIRGINIA*

Kathy Dayton
Notary Public

of, in and for OHIO COUNTY, WEST VIRGINIA.

My Commission expires April 19, 2021

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHY DAYTON
425 Fishers Lane
Mozart
Wheeling, West Virginia 26003
My Commission Expires Apr. 19, 2021

tabbies
EXHIBIT
A

MOUNDSVILLE DAILY ECHO
SINCE 1891

(304) 845-2660
P.O. BOX 369
MOUNDSVILLE
WEST VIRGINIA
26041

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF MARSHALL, to wit:

I, Alleah M. Fahey, being first duly sworn upon my oath, do depose and say:

- that I am Legal Advertising Manager of the MOUNDSVILLE DAILY ECHO, a Republican newspaper;
- that I have been duly authorized to execute this affidavit;
- that such newspaper has been published for over 119 years, is regularly published afternoons daily except Saturdays and Sundays, for at least fifty weeks during the calendar year, in the municipality of Moundsville, Marshall County, West Virginia.
- that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Moundsville and Marshall County;
- that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
- that such newspaper is circulated to the general public at a definite price or consideration;
- that such newspaper is a newspaper to which the general public resorts far passing events of a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
- and that the annexed notice described as follows:

PARTY(ies)
Ohio County Public District

NATURE (and agency if heard before one
Case # 12-1401-PSD-CN

CERTIF-BILL TO

Dinsmore
Bennett Square, 2100 Market St.
Wheeling, WV 26003
Attn: Melissa Dunn

WAS PUBLISHED IN-SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
1	Oct. 15, 2012

BY WORDS	PUBLICATION CHARGES
1086.5@.115	$124.95

(signed) Alleah M. Fahey

NOTARIZATION

Taken, sworn and subscribed before me this 18th day of October, 2012.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
AMY McGLUMPHY
Moundsville Daily Echo
P.O. Box 369
Moundsville, West Virginia 26041
My Commission Expires Aug. 29, 2015

Notary Public

EXHIBIT
tabbies
B

LEGAL ADVERTISEMENT

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 9th day of October 2012.

CASE NO. 12-1401-PSD-CN

OHIO COUNTY PUBLIC SERVICE DISTRICT,

a public utility, Triadelphia, Ohio County.

Application for a Certificate of Convenience and Necessity to construct a sanitary sewer main extension to the Dallas Pike area in the County of Ohio, West Virginia.

NOTICE OF FILING

On October 9, 2012, the Ohio County Public Service District (District) filed an application, duly verified, for a Certificate to construct certain additions and improvements to the sanitary sewer system in Ohio County.

The project involves the construction of 8-inch, 6-inch and 4-inch sewer force mains in Dallas Pike area of Ohio County. An 8-inch inceptor force main will tie-in to the existing 8-inch force main at the intersection of the Industrial Center Road and McCutcheon-Buchannon Road. The new force main will be constructed along McCutcheon-Buchannon Road, County Route 41/1, and Industrial park Road on the southeast side of Interstate 70. The force main will cross under Interstate 70 along Dallas Pike Road and continue along the West Alexander-Stoolfire Road, County Route 41/3, on the northwest side of Interstate 70.

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 seeks a Certificate to construct the sewer force mains in order to extend the District's current wastewater collection system to the greater Dallas Pike area and allow new commercial and industrial users to tie in to the District's system and retire private systems that are less effective, less efficient, more costly, or noncompliant with government standards.

The District estimates that construction will cost approximately $1,605,000.00. It is proposed that the construction will be financed by a loan from the Clean Water State Revolving Fund for the entire project cost of $1,605,000.00, payable over 20 years at 2% interest rate with a 1% administration fee.

The utility anticipates that no rate increase will be required and that it will charge the following rates for its customers.

RATES

Service Charge - $9.96 per month

Usage Charge - $6.97 per 1,000 gallons of water usage per month

MINIMUM CHARGE

No bill will be rendered for less than $16.92 per month

The above minimum charge is subject to an additional $.01 per 1,000 gallons of water used per month.

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

Equivalent of 4,500 gallons of water usage, $41.33 per month

DELAYED PAYMENT PENALTY

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

TAP FEE

In accordance with the user agreements for this project, the District's Tap Fee will be waived for those new customers identified in the Certificate proceeding. Otherwise, the following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$2.64 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

RETURN CHECK CHARGE:

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank 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 $50.00, whichever is greater. This fee may be changed by applicable statutory provisions.

The District has no resale customers.

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

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

OHIO COUNTY PUBLIC SERVICE DISTRICT

PUBLISH: October 15, 2012.

221

BOARD MEETING HELD JANUARY 9, 2013 . . . . . .

The Ohio County Public Service District held a board meeting on Wednesday, January 9th, 2013, in the board's meeting room at 5383 National Road, Triadelphia, WV. Said meeting convened at 7:30 P.M.

Those in attendance were:
Robert R. Luchetti, Chairman
Dr. Victor Perrone, Vice-Chairman
Daniel W. Dickinson, Jr., Sec'y/Treas
Morgan Coast, Engineer
Kerry Marshall, Manager

Mr. Luchetti said the minutes of the last meeting had been mailed and if there are no additions or corrections, they would stand approved as submitted. The meeting is being recorded.

After the board's review of the Accounts Payable, Dr. Perrone motioned to pay the bills and Dan Dickinson seconded the motion. Motion carried. (Water Ck# 17161-17197 and Sewer Ck# 6868-6883)

Morgan Coast said we will be advertising for bids at Dallas Pike in February. Morgan said there was a loose end with the electric and Kerry said he has gotten in touch with AEP and got the addresses for them.

Mr. Luchetti asked if the power required is for the lift stations for the customer. Mr. Luchetti ask if it was going to impact the bidding process. Morgan said it won't impact what we are doing. Ohio County is going to be the owner of the lift station so the power has to be in the name of Ohio County PSD. The customer will have to pay the bill to get the electric installed. Morgan said he didn't think there would be any issues with the electric, except for the DP Campground. He said with the campgrounds the lift station is about half a mile from the main road and a single phase. There will be a cost with it for the owner of the campgrounds.

Morgan said they have already given the plans for the lift stations to Glessner. He has a contractor that is looking at the plans and specs. Glessner has a lift station for the apartments and the truck stop, a grinder pump for Ohio Valley Scales and Fritz the Cat, and a grinder pump for the Dairy Queen.

Morgan said we need to make contact with the commercial customers. They will probably want to get some prices and a feel for things. Mr. Luchetti said we could have

them attend the next board meeting. Mr. Luchetti said to send the commercial accounts a letter and inform them they can attend the next board meeting. Morgan said he can give them plans for their property.

Managers Report:

We have had several leaks, one being on December 25th on the back side of Cherry Hill. Clifton Heights on the 29th, another on the 29th across from Gracie Drive and a leak yesterday between Oglebay and Peters Run.

We started meter reading and then the storm hit and we had to estimate the rest of the meters that we didn't get read.

Our computer software, Greentree, has said our software is outdated. So if something starts going wrong with it we may have a problem. Kerry said to just update the software is around $10,000. Kerry said we have had Thadd Obecny here so he could go over the software too. We talked to Thadd and asked about the sewer department paying for the software. The water department probably paid for the last software we bought. Mr. Luchetti said to check with Thadd.

Kerry said our radios are all upgraded. He said the radio distance isn't there now.

We replaced a silent check valve at Hanlan Heights.

There was an electrical box across from Crow's on National Road that needed to be replaced. The wire had corroded and the pumps weren't working.

Mr. Luchetti said the board needed to do the Organization Meeting. Dan Dickinson nominated Mr. Luchetti as Chairman of the Board. Dr. Perrone seconded the nomination. Dr. Perrone nominated Dan Dickinson for Sec'y/Treas. Mr. Luchetti seconded the nomination. Mr. Luchetti nominated Dr. Perrone as Vice-Chairman. Dan Dickinson seconded the nomination. Mr. Luchetti said the offices have been filled for the coming year.

Mr. Luchetti said the board is going into executive session. The board returned from executive session.

Dan Dickinson motioned to adjourn and Dr. Perrone seconded the motion. Motion carried.

Chairman

Secretary

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

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

The undersigned SECRETARY of Ohio County Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service District:

*** *** ***

Ohio County Public Service District met, pursuant to notice duly posted, on the 30th day of April, 2013, in Tridelphia, West Virginia, at the hour of 7:00 pm.

PRESENT: Robert Luchetti, Chairman
Victor Perrone, Vice Chairman
Daniel Dickinson, Secretary / Treasurer
Kerry Marshall, Manager
John Stump, S&J

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

SRF Authorizing Resolution

The Chairman presented a proposed resolution authorizing members of the board and Kerry Marshall the authority to execute documents with respect to the proposed Department of Environmental Protection SRF Project. Thereupon, on motion duly made by Daniel Dickinson and seconded by Victor Perrone, it was unanimously ordered that the said Resolution be adopted and be in full force and effect on and from the date hereof

Bond Resolution

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

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING

OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,605,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO 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 Daniel Dickinson and seconded by Victor Perrone, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Supplemental Resolution

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

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

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Daniel Dickinson and seconded by Victor Perrone, it was unanimously ordered that the said Supplemental Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Sweep Resolution

Next, the Chairman presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission.

Thereupon, on motion duly made by Daniel Dickinson and seconded by Victor Perrone, it was unanimously ordered that the said Sweep Resolution be adopted.

First Draw Resolution

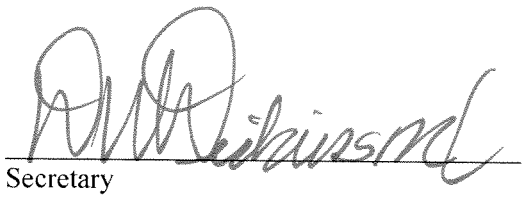
Next, the Chairman presented a proposed First Draw Resolution for the approval of invoices from the construction loans. Thereupon, on motion duly made by Daniel Dickinson and seconded by Victor Perrone, it was unanimously ordered that the said Draw Resolution be adopted.

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

WITNESS my signature on this 16th day of May, 2013.



Secretary

AUTHORIZING RESOLUTION
Clean Water State Revolving Fund

At the special meeting of the Ohio County Public Service District, Robert Luchetti, Daniel Dickinson, Jr., Vic Perrone and Kerry Marshall are duly authorized to act on and sign on behalf of the Ohio County Public Service District any and all federal and state actions as they relate to planning, design, and/or construction of wastewater facilities.

This motion being duly presented and seconded, has been adopted by a quorum vote and therefore Robert Luchetti, Daniel Dickinson, Jr., Vic Perrone and Kerry Marshall may sign all such documents relative to wastewater facilities on behalf of the Ohio County Public Service District, but only upon approval of such documents by the Governing Body.

Adopted this 30th day of April, 2013

[Seal]

By: _____
Chairman

By: _____
Secretary

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: May 16, 2013

ISSUE: Ohio County Public Service District
Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program)

ADDRESS: 5383 National Road, Triadelphia, West Virginia 26059 COUNTY: Ohio

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: May 16, 2013
CLOSING DATE: May 16, 2013
ISSUE AMOUNT: $1,605,000.00
RATE: 2%; 1% Admin Fee
1ST DEBT SERVICE DUE: Sept 1, 2014
1ST PRINCIPAL DUE: Sept. 1, 2014
1ST DEBT SERVICE AMOUNT $24,391.00
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: WesBanco Bank, Inc.
Contact: Sandy Thames
Phone: 304.243.7500

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Robert Luchetti
Position: Chairman
Phone: 304.547.5133

OTHER:
Agency: West Virginia Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: 926.0499 x 1608

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 2013 A Bonds Reserve Account will be funded over 10 years

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

Ohio County Public Service District

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

WesBanco Bank, Inc., Wheeling, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Ohio County Public Service District (the "Issuer") adopted April 30, 2013, and the Supplemental Resolution of the Issuer adopted April 30, 2013 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated May 16, 2013, issued in the principal amount of $1,605,000 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 16th day of May, 2013.

WESBANCO BANK, INC.

By: _____
Its: Authorized Officer

670150.00002

Ohio County Public Service District
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Ohio County Public Service District Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated May 16, 2013, issued in the principal amount of $1,605,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 16th day of May, 2013.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

670150.00002

5956469

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Ohio County Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer, dated May 16, 2013, in the principal amount of $1,605,000, numbered AR-1, were registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 16th day of May, 2013.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

670150.00002

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 16th day of May, 2013, by and between OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $1,605,000 Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted April 30, 2013, and the Supplemental Resolution of the Issuer duly adopted April 30, 2013 (collectively, the "Bond Legislation");

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

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

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

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

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

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

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

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

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

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

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

ISSUER: Ohio County Public Service District
P.O. Box 216
Triadelphia, West Virginia 26059
Attention: Chairperson

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

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The Registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

9. The Registrar is hereby requested and authorized to authenticate 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.

OHIO COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

EXHIBIT A

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

SCHEDULE OF COMPENSATION

Huntington

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

STATEMENT OF REGISTRAR'S FEES
Invoice Date May 16, 2013

Ohio County Public Service District
Account Number 6089001809

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

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR May, 2013

****

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

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

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

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

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Ohio County PSD.

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT
601 57th STREET SE
CHARLESTON, WV 25304-2345

GENERAL
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

Permit No. WV0115924

Issue Date: December 5, 2012
Effective Date: January 4, 2013
Expiration Date: January 3, 2018

Subject: Stormwater Associated With Construction Activities

To Whom It May Concern:

This is to certify that any establishment with discharges composed entirely of stormwater associated with construction activities disturbing one acre or greater of land area (construction activities are land disturbing operations such as clearing, grubbing, grading, filling and excavation operations during site development for residential, commercial or industrial purposes) and agreeing to be regulated under the terms of this General Permit, except for;

1. Operations that result in the disturbance of less than one acre of total land area, which are not part of a larger common plan of development or sale.

2. Stormwater discharges associated with land disturbing activities that may reasonably be expected to be causing or contributing to a violation of a water quality standard as determined by the Director.

3. Land disturbing activities already governed by other Department of Environmental Protection NPDES permits. This includes Division of Mining and Reclamation permits for coal mining and non-metallic quarries.

4. Landfills, except in the preparation of a new landfill and/or clay borrow areas.

5. Other activities exempt from NPDES permitting requirements as set forth in 40CFR 122.3(e) and 47CSR 10-3.2.b.4 (NPDES Program).

6. Land disturbing activities related to oil and gas activities as required by the Energy Policy Act of 2005. These activities include but are not limited to

> construction of drilling sites, waste management pits, and access roads, as well as construction of the transportation and treatment infrastructure such as pipelines, natural gas treatment plants, natural gas pipeline compressor stations, and crude oil pumping stations. Construction activities that result in a discharge of a reportable quantity release or that contribute pollutants (other than non-contaminated sediments) to a violation of a water quality standard are still subject to permit coverage.

is hereby granted coverage under this General WV/NPDES Water Pollution Control Permit to allow stormwater discharges into the surface waters of the State. This General Permit is subject to the following terms and conditions:

> The information submitted on and with the site registration application form will hereby be made terms and conditions of the General Permit with like effect as if all such information were set forth herein, and other pertinent conditions set forth in Sections A, B, C, D, E, F, G, H, I and J.

Construction of single family residences by the homeowner or homeowner's contractor requiring land disturbances less than three acres in size are provided coverage under the General WV/NPDES Water Pollution Control Permit and do not require application for registration. This includes offsite borrow and waste sites. However, all other terms and conditions of the General WV/NPDES Water Pollution Control Permit still apply except for the Notice of Termination requirement. The WVDEP's Individual House Sample Sediment and Erosion Control must be used during the construction of the single family home.

Sites approved from January 1, 2011, thru November 5, 2012, are hereby granted coverage under General WV/NPDES Water Pollution Control Permit WV0115924. Sites approved prior to January 1, 2011, shall have until June 30, 2013, to have final stabilization completed. Final stabilization means disturbed areas shall be covered by the appropriate permanent protection. Final stabilization includes; pavement, buildings, stable waterways (riprap, concrete, grass or pipe), a healthy, vigorous stand of grass or native vegetation that uniformly covers at least 70 percent of the ground, stable outlet channels with velocity dissipation which directs site runoff to a natural watercourse, and any other approved structure or material. Sites that are not stabilized by June 30, 2013, an application to receive permit coverage must be submitted to the Division of Water and Waste Management on or before, July 1, 2013.

Continuation of this general permit

If this general permit is not reissued or replaced prior to the expiration date, it will be administratively continued in accordance with 47 CSR 10 and remain in force and effect. If you were authorized to discharge under this general permit prior to the expiration date, any discharges authorized under this permit will automatically remain covered by this general permit until the earliest of:

- Your authorization for coverage under a reissued general permit or a replacement of this general permit following your timely and appropriate submittal of a complete application requesting authorization to discharge

under the new general permit and compliance with the requirements of the new permit; or

- Your submittal of notification of termination that the facility has ceased operations; or
- Issuance or denial of an individual permit for the facility's discharge; or
- A formal permit decision by DWWM not to reissue this general permit, at which time DWWM will identify a reasonable time period of covered dischargers to seek coverage under an alternative general permit or individual permit. Coverage under this permit will cease at the end of this time period.

SECTION A. TERMS OF PERMIT

Discharges from sites covered under this General Permit shall not cause or contribute to a violation of 47CSR2 (Requirements Governing Water Quality Standards) and 46CSR12, (Requirements Governing Groundwater Standards) of the West Virginia Legislative Rules pursuant to Chapter 22, Article 11 and Article 12. Discharges that are not in compliance with these standards are not authorized.

SECTION B. SCHEDULE OF COMPLIANCE

Compliance with this General Permit, the Stormwater Pollution Prevention Plan and the Groundwater Protection Plan is required upon the beginning of the construction project.

SECTION C. MANAGEMENT CONDITIONS

C.1. Duty to Comply

C.1.a. The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the federal Clean Water Act (CWA) and State Act (Chapter 22, Article 11 or Article 12) and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or denial of a permit renewal application.

C.1.b. The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

C.2. Duty to Reapply

If the permittee seeks to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit or General Permit registration as detailed in permit reissuance.

C.3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.

C.4. Permit Actions

This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of a planned change or anticipated noncompliance, does not stay any permit condition.

C.5. Property Rights

This permit does not convey any property rights of any sort, or any exclusive privilege.

C.6. Signatory Requirements

All applications, reports, or information submitted to the Director shall be signed and certified as required in 47CSR10-4.6. (NPDES Program). If an authorization becomes inaccurate because a different individual or position has responsibility for the overall operation of the project, a new authorization must be submitted to the Director prior to, or together with any reports, information, or applications to be signed by an authorized representative.

C.7. Transferability

This permit is not transferable to any person, except after notice to the Director. The Director may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.

C.8. Duty to Provide Information

The permittee shall furnish to the Director, within a reasonable specified time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. This information may include water quality

information as specified by the Director. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

C.9. Other Information

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, it shall immediately submit such facts or information.

C.10. Inspections and Entry

The permittee shall allow the Director or an authorized representative upon the presentation of credentials and such other documents as may be required by law

C.10.a. To enter upon the permittee's premises at all reasonable times in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;

C.10.b. To have access to and copy at reasonable times any records that must be kept under the conditions of this permit;

C.10.c. To inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit;

C.10.d. To sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any location.

C.11. Permit Modification

This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22, Article 11 of the Code of West Virginia. Any permittee wishing to modify his coverage under this permit shall submit such request at least 45 days prior to the commencement of the proposed action for modification if no public notice period is required. A modification that requires a public notice period must be submitted at least 90 days prior to construction to allow for the public notice procedure.

C.12. Water Quality

Subject to 47 WV CSR 10.3.4.a, the effluent or effluents covered by this permit are to be of such quality so as not to cause a violation of applicable water quality standards.

C.13. Oil and Hazardous Substance Liability

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject under Section 311 of the CWA.

C.14. Liabilities

C.14.a. Civil

Any person who violates a permit condition implementing Sections 301, 302, 306, 307, 308, 318 or 405 of the CWA is subject to a civil penalty not to exceed $37,500 per day of such violation (40 CFR Part 19).

C.14.b. Criminal

Any person who negligently violates, among other sections, Section 301, 302, 306, 307, or 308 of the CWA, or any permit condition or limitation implementing any of such section in a permit is subject to a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than one year, or both. If a conviction of a person is for a violation committed after a first conviction of such person, punishment shall be a fine of not more than $50,000 per day, or by imprisonment of not more than 2 years, or both.

Any person who knowingly violates, among other section, Section 301, 302, 306, 307, or 308 of the CWA, or any permit condition or limitation implementing any such sections in a permit, is subject to a fine of not less than $5,000 nor more than $50,000 per day of violation, or by imprisonment of not more than 3 years, or both. If a conviction of a person is for a violation committed after a first conviction of such person, punishment shall be a fine of not more than $100,000, or by imprisonment for not more than 6 years, or both.

C.14.c. Nothing in C.14.a. and C.14.b. shall be construed to limit or prohibit any other authority the Director may have under the State Water Pollution Control Act, Chapter 22, Article 11 and State Groundwater Protection Act, Chapter 22, Article 12.

C.15 Outlet Markers

An outlet marker shall be posted during the term of General Permit coverage in accordance with Title 47, Series 11, Section 9 (Special Rules) of the West Virginia Legislative Rules.

SECTION D. OPERATION AND MAINTENANCE

D.1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of the permit. Proper operation and maintenance also includes adequate laboratory controls and appropriate quality assurance procedures.

D.2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

D.3. Bypass

D.3.a. Definitions

D.3.a.1. "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and

D.3.a.2. "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources that can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

D.3.b. Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of D.3.c. and D.3.d. of this permit.

D.3.c. Notification of bypass

D.3.c.1. If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least 10 days before the date of the bypass.

D.3.c.2. If the permittee does not know in advance of the need for bypass, notice shall be submitted as requires in F.2.a. of this permit.

D.3.d. Prohibition of bypass

D.3.d.1. Bypass is permitted only under the following conditions, and the Director may take enforcement action against a permittee for bypass, unless;

D.3.d.1.A. Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;

D.3.d.1.B. There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass that occurred during normal periods of equipment downtime or preventive maintenance. This condition is not satisfied if the sediment and erosion control structures were not installed in the proper sequence; and

D.3.d.1.C. The permittee submitted notices as required under D.3.c. of this permit.

D.3.d.2. The Director may approve an anticipated bypass, after considering its adverse effects, if the Director determines that it will meet the three conditions listed in D.3.d.1. of this permit.

D.4. Upset

D.4.a. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with the technology based permit effluent limits because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

D.4.b. Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based effluent limitation if the requirements of D.4.c. are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

D.4.c. Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

D.4.c.1. An upset occurred and that the permittee can identify the cause(s) of the upset.

D.4.c.2. The permitted project was at the time being properly operated.

D.4.c.3. The permittee submitted notice of the upset as required in F.2.a. of this permit; and

D.4.c.4. The permittee complied with any remedial measures required under C.3. of this permit.

D.4.d. Burden of proof. In any enforcement proceedings the permittee seeking to establish the occurrence of an upset has the burden of proof.

D.5. Removed Substances

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permits by the Director, any solids, sludge, filter backwash or other pollutants (removed in the course of treatment or control of wastewater) and which are intended for disposal within the State, shall be disposed of only in a manner and at a site subject to the approval by the Director. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Director in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

SECTION E. MONITORING AND REPORTING AND DEFINITIONS

Monitoring of discharges is not required for construction activities unless directed by the Director.

E.1. Definitions

"Best management practices" (BMPs) means schedules of activities, prohibitions of practices, maintenance procedures, other management practices and various structural practices such as but not limited to silt fence, sediment traps, seeding and mulching, and rip-rap used to prevent or reduce erosion and sediment runoff and the pollution of surface waters of the State. BMPs also include treatment requirements, operating procedures and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage.

"Clearing" means the stage of development in which vegetation is cleared from land. Clearing does not include cutting and removing vegetation with chain saws, brush axes, brush hogs and other mechanical means where there is less than one acre or no soil disturbance.

"Clean Water Act" (CWA) (formerly referred to as the Federal Water Pollution Control Act or Federal Water Pollution Control Act Amendments of 1972) Public Law 92-500, as amended by Public Law 95-217, Public Law 97-117 and Public Law 95-576; 33 U.S.C. 1251 et seq.

"Common plan of development" is a contiguous construction project where multiple separate and distinct construction activities may be taking place at different times on different schedules but under one plan. The "plan" is broadly defined as any announcement or piece of documentation or physical demarcation indicating construction activities may occur on a specific plot; included in this definition are most subdivisions.

"Control" is a best management practice such as erosion control or sediment control that will reduce sedimentation on a construction project.

"Construction Activity" means land disturbance operations such as clearing, grubbing, grading, filling, and excavating during site development for residential, commercial or industrial purposes. This includes, but is not limited to, access roads, borrow and spoil areas.

"Director" means the Director of the Division of Water and Waste Management, Department of Environmental Protection, or her designated representative.

"Disturbed area" is the total area of land disturbing activity that will take place during all phases of a construction project, including, but not limited to, all waste and borrow sites, utility installation, road building, mass grading, and site development.

"Diversion" means a berm or excavated channel or combination berm and channel constructed across sloping land on a predetermined grade. This includes but is not limited to protecting work areas from upslope runoff and reducing the size of the drainage going to sediment trapping structures (clean water diversion), transporting runoff across a project to minimize erosion and diverting sediment-laden water to an appropriate sediment-trapping structure.

"Erosion" means the displacement of solids (soil, mud, rock, and other particles) by the agents of wind, water, and ice in response to gravity.

"Establishment" means an industrial establishment, mill, factory, tannery, paper and pulp mill, mine, colliery, breaker or mineral processing operation, quarry, refinery, well and each and every industry or plant or works in the operation or process of which industrial wastes, sewage or other wastes are produced.

"Estimate" means to be based on a technical evaluation of the sources contributing to the discharge.

"Excavating" means to engage in digging, hollowing out, or removing, accomplished usually with heavy machinery.

"Final stabilization" means disturbed areas shall be covered by permanent protection. Final stabilization includes pavement, buildings, stable waterways (riprap, concrete, grass or pipe), a healthy, vigorous stand of grass or natural vegetation that uniformly covers at least 70 percent of the ground, stable outlet channels with velocity dissipation that directs site runoff to a natural watercourse, and any other approved structure or material.

"Grading" means changing surface contours by removing soil and stone from one place and building it up in another.

"Groundwater" means the water occurring in the zone of saturation beneath the seasonal high water table or any perched water zones.

"Groundwater Protection Plan" (GPP) means groundwater protection practices developed and implemented in accordance with WV Legislative Rules, 47CSR58 (Groundwater Protection Rule).

"Grubbing" means physically removing vegetative stumps and roots from the ground and disturbing the earth, usually by heavy machinery.

"Linear Project" – includes the construction of roads, bridges, conduits, substructures, pipelines, sewer lines, towers, poles, cables, wires, connectors, switching, regulating and transforming equipment and associated ancillary facilities in a long, narrow area.

"Minor construction activity" means an activity which disturbs one acre or more, but less than three acres.

"National Pollutant Discharge Elimination System" (NPDES) means the national program for issuing, denying, modifying, revoking and reissuing, suspending, revoking, monitoring and enforcing permits, and imposing and enforcing pretreatment requirements under Section 307, 318, 402, and 405 of CWA, including any approved state program.

"Natural vegetative buffer" is an area of undisturbed vegetation that occurs spontaneously without regular maintenance or management and is adjacent to or surrounds streams or other waters.

"Notice of Intent" (NOI) is the form to be submitted by the applicant to register a small construction project (one that disturbs one to less than three acres) under the Construction Stormwater General Permit. A project that disturbs one to less than three acres but will have construction activities one year or longer must file a Site Registration Application Form.

"Notice of Termination" (NOT) is the form to be submitted by the permittee to terminate coverage under the Construction General Stormwater Permit, after final stabilization has been completed. See Final Stabilization.

"Point source" is any discernible, confined and discrete conveyance, including but not limited to, any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, and container from which pollutants are or may be discharged to surface waters of the state.

"Pollutant" means industrial waste, sewage or other wastes.

"Post-development" means the anticipated final conditions of the project, including rooftops, parking lots, streets, drainage systems, vegetation, and any other structure planned. For subdivisions and speculative developments, it will be assumed that all lots are developed.

"Pre-development" means the condition of the land, the amount and health of the ground cover and vegetation prior to development.

"Secretary" means the Secretary of the Department of Environmental Protection, or his/her designated representative.

"Sediment" means any particulate matter that can be transported by fluid flow and which eventually is deposited as a layer of solid particles on the bed or bottom of a body of water or other liquid.

"Sedimentation" means the deposition by settling of a suspended material.

"Sediment trap" means a temporary ponding area formed by constructing an embankment or excavation and embankment that will trap the flow of sediment-laden runoff. Sediment traps have a properly stabilized outlet/weir or riser and pipe to detain sediment-laden runoff from disturbed areas of five acres or less. Outlets must be designed to extend the detention time and allow the majority of the sediment to settle out.

"Sediment basin" means a temporary structure consisting of an earthen embankment, or embankment and excavated area, located in a suitable area to capture sediment-laden runoff from a construction site. A sediment basin reduces the energy of the water through extended detention (48 to 72 hours) to settle out the majority of the suspended solids and sediment and prevent sedimentation in waterways, culverts, streams and rivers. Sediment basins have both wet and dry storage space to enhance the trapping efficiency and are appropriate in drainage areas of five acres and greater.

"Sinkhole" means a depression in the land surface formed by solution or collapse that directs surface runoff into subsurface or to an underground drainage flow.

"Site Registration Application forms" means the forms designed by the Director for the purpose of registering for coverage under a General Permit. Under the General Permit there will be two separate forms, one for one to less than three acres (Notice of Intent) and the Site Registration Application form for projects that disturb three acres and greater. A project that disturbs one to less than three acres but will have construction activities one year or longer must file a Site Registration Application form.

"Stormwater" means stormwater runoff, snowmelt runoff, and surface runoff and drainage.

"Stormwater Pollution Prevention Plan" (SWPPP) means the erosion and sediment control plan and the post development plan submitted as part of the Site Registration Application form.

"Tier 3 Waters" means waters as otherwise identified in 47CSR2-4.1.c. (Requirements Governing Water Quality Standards).

"Trout Streams" means any waters which meet the definition of 47CSR2-2.19. (Requirements Governing Water Quality Standards).

"1-year, 24-hour precipitation event" means the maximum 24-hour precipitation event with a probable recurrence interval of once in one year.

"25-year, 24-hour precipitation" means the maximum 24-hour precipitation event with a probable recurrence interval of once in 25 years.

SECTION F. OTHER REPORTING

F.1. Reporting Spill and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to 47CSR11-2. (Special Rules) of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.

F.2. Immediate Reporting

F.2.a. The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Department's designated spill alert telephone number ((800) 642-3074). A written submission shall be provided within five days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and time, and if, the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

SECTION G. EFFLUENT LIMITATIONS AND OTHER REQUIREMENTS

G.1. Requiring an Individual Permit or an Alternative General Permit.

G.1.a. The Director may require any person authorized by this permit to apply for and obtain either an individual NPDES permit or an alternative NPDES General Permit. Any interested person may petition the Director to take action under this paragraph. The Director may require any owner or operator authorized by this permit to apply for an individual NPDES permit only if the owner or operator has been notified in writing that such a permit application is required.

G.2. Prohibition of Non-Stormwater Discharges

All discharges authorized by this permit shall be composed entirely of stormwater. Discharges of material other than stormwater are not authorized by this permit except as follows.

The following non-stormwater discharges are authorized by this permit: discharges from emergency firefighting activities, fire hydrant flushing; waters used to wash vehicles, provided there is no discharge of soaps, solvents, or detergents used for that purpose: waters used to control dust; potable water sources, including

uncontaminated waterline flushing; landscape irrigation; lawn watering; routine external building washdown which does not use detergents; pavement washwater provided spills or leaks of toxic or hazardous materials have not occurred (unless all spilled material has been removed) and where detergents are not used. You are prohibited from directing pavement wash waters directly into any surface water, storm drain inlet, or stormwater conveyance, unless the conveyance is connected to a sediment basin, sediment trap, or similarly effective control: uncontaminated air conditioning condensate; uncontaminated, non-turbid discharges o groundwater or springs; foundation or footing drains where flows are not contaminated with process materials such as solvents that are combined with stormwater discharges associated with industrial activity; other construction dewatering activities that are treated by an appropriate control.

This permit does not authorize the conveyance, diversion, channeling, directing or otherwise allowing the discharge of stormwater into a sinkhole without an Underground Injection Control Permit.

G.3. Releases in Excess of Reportable Quantities

This permit does not relieve the permittee of the reporting requirements of 40CFR117 and 40CFR302. The discharge of hazardous substances in the stormwater discharge(s) from a project is not authorized by this General Permit, and in no case shall the discharge(s) contain a hazardous substance.

G.4. Stormwater Pollution Prevention Plans and Groundwater Protection Plans (SWPPP/GPP)

A Stormwater Pollution Plan and a Groundwater Protection Plan shall be developed for each project covered by this permit. These two plans may be combined into one plan if all of the requirements for both plans are met. Alternatively, they may be developed and maintained as separate stand-alone documents.

Stormwater Pollution Prevention Plans shall be prepared in accordance with good engineering practices. The plan shall identify potential sources of pollution that may reasonably be expected to affect the quality of stormwater discharges associated with construction activity. In addition, the plan shall describe and ensure the implementation of practices that are to be used to reduce the pollutants in stormwater discharges associated with construction activity and to assure compliance with the terms and conditions of this permit.

Groundwater Protection Plans (GPP) shall be prepared in accordance with the requirements of 47CSR58-4.11. et seq (Groundwater Protection Regulations). The GPP shall identify all operations that may reasonably be expected to contaminate the groundwater resources with an indication of the potential for soil and groundwater contamination from those operations. In addition the GPP shall provide a thorough and detailed description of procedures designed to protect groundwater from the identified

potential contamination sources. The GPP is not required to be submitted to the Division of Water and Waste Management for review. Guidance in the completion of a GPP is available from the Division of Water and Waste Management.

G.4.a. The SWPPP and the GPP shall be signed in accordance with Section C.6. and retained onsite.

G.4.b. The application and SWPPP shall be submitted to the Division of Water and Waste Management at least 60 days before construction is to begin, except as noted in G.4.b.3. and G.4.b.4. Prospective permittees should submit applications for review prior to accepting construction bids on the project. As the plans are evaluated by the Director or authorized representative, the Director or authorized representative may notify the permittee during the 60 day review period that the plan does not meet one or more of the minimum requirements of this section. After such notification from the Director or authorized representative, the permittee shall make changes to the plan in accordance with the time frames established below, and shall submit to the Director a written certification that the requested changes have been made.

G.4.b.1. Except as provided in G.4.b.2., the permittee shall have 30 days after such notification to make the changes necessary.

G.4.b.2. The permittee shall have 24 hours after such notification to make changes relating to sediment and erosion controls to prevent loss of sediment from an active construction site, unless additional time is provided by the Director or an authorized representative.

G.4.b.3.Projects disturbing less than three acres and that do not discharge to or upstream of Tier 3 waters shall submit only the Notice of Intent Form (NOI) 15 days prior to initiating construction. A project that disturbs one to less than three acres but will have construction activities one year or longer must file a Site Registration Application form.

G.4.b.4 Projects disturbing less than three acres that will discharge upstream of Tier 3 waters shall submit the NOI and the SWPPP for review 60 days prior to initiating construction.

G.4.b.5. Projects that are expected to discharge to Tier 3 waters or that are expected to disturb 100 or more acres, or that the grading phase(s) of construction will last for a total of more than one cumulative year, shall submit the application and SWPPP at least 100 days prior to construction to allow for the public notice procedure.

G.4.b.6. Projects discharging to waters with approved total maximum daily loads (TMDL) that have acreage limits for Stormwater Construction General Permit Registrations will have registrations issued for one (1) year. If TMDL acreage limits for the receiving water have been met at the time of application, effluent limits shall be set and discharge monitoring required. Registration issuance will not be limited to one (1) year when discharge monitoring is required. Projects with registrations issued for one year that are

not completed at the time of registration expiration and do not meet stabilization requirements in Section J, shall reapply for General Permit coverage.

G.4.b.7. If you are conducting earth-disturbing activities in response to a public emergency *e.g., natural disaster, widespread disruption in essential public services)*, and the related work requires immediate authorization to avoid imminent endangerment to human health, public safety, or the environment, or to reestablish essential public services, you are authorized to discharge on the condition that a complete and accurate NOI or application and SWPPP is submitted within 30 calendar days after commencing earth-disturbing activities establishing that you are eligible under this permit. You are also required to provide documentation in your SWPPP to substantiate the occurrence of the public emergency.

G.4.b.8. Within 24 hours of filing an NOI (one to less than three acres) or a Site Registration Application (three acres or more) with DWWM, all projects shall display a sign for the duration of the construction project near the entrance of the project or, for linear projects, at a location near an active part of the project that is accessible by the public, which contains the following information using the template found in the instructions: 1) the registrant's name or the name of a contact person along with a telephone number; 2) A brief description of the project; 3) a statement indicating that the NOI or SWPPP, as applicable, has been filed with the DWWM; 4) the address and telephone number of the agency where the NOI or SWPPP is maintained; and 5) That any person may obtain a copy of the NOI or SWPPP by contacting the DWWM at (800) 654-5227. The sign shall be a minimum of two feet by two feet and at least three feet above ground level, clearly visible and legible from a public roadway or right-of-way. If it is not feasible to display a sign at or near the project, the registrant, with prior approval from the DWWM, may post a notice containing the foregoing information at a local public building, including, but not limited to, a town hall or public library.

G.4.c. The permittee shall modify, using forms provided by DWWM, the SWPPP whenever there is a change in design, construction, scope of operation, or maintenance, which has the potential to adversely impact the surface waters of the State, or if the SWPPP proves to be ineffective in achieving the general objectives of controlling pollutants in stormwater discharges associated with construction activities. Should conditions warrant, the Director, or the Director's representative, may request changes to the SWPPP during a field inspection. The Director may review changes or modifications to the SWPPP in the same manner as above.

The permittee shall amend the GPP whenever there is a change in design, construction, operation, or maintenance which could reasonably be expected to have an impact on the potential contamination of groundwater.

G.4.d. In addition to the requirements of G.4.e, the SWPPP shall also include, at a minimum, the following items:

G.4.d.1. General management controls

G.4.d.1.A. Preventive maintenance – A preventive maintenance program shall involve inspection and maintenance of sediment and erosion control best management practices to identify and address conditions that could cause breakdowns or failures resulting in discharges of pollutants to surface waters.

G.4.d.1.B. Good housekeeping – Good housekeeping requires the maintenance of a clean and orderly project. This includes minimizing the exposure of building materials, building products, construction wastes, trash, landscape materials, fertilizers, pesticides, herbicides, detergents, sanitary waste and other materials present on the site to precipitation and to stormwater.

G.4.d.1.C. Spill prevention and response procedures – Areas where potential spills may occur, and their accompanying drainage points, shall be identified clearly in the SWPPP/GPP. Where appropriate, specify material handling procedures and storage requirements in the SWPPP/GPP. Procedures for cleaning up spills shall be identified in the plan and made available to the appropriate personnel. The necessary equipment to implement a cleanup shall be available to personnel, including spill kits.

G.4.d.2. Consistency with other plans

Stormwater Pollution Prevention Plans may reflect requirements for Spill Prevention Control and Countermeasure (SPCC) plans under section 311 of the CWA or any Best Management Practices (BMP) and Groundwater Protection Plans (GPP) pursuant to 47CSR58 (Groundwater Protection Rule) or otherwise required by an NPDES permit and may incorporate any part of such plans into the Stormwater Pollution Prevention Plan by reference.

G.4.e. Requirements for construction activities – Operations that discharge stormwater associated with construction activity disturbing one or more acres are not only subject to the requirements of Section G.4.d. of this permit, but are also subject to the following requirements. The SWPPP shall include, as a minimum, the following items.

G.4.e.1. Site description – Each plan shall, at a minimum, provide a description of the following:

G.4.e.1.A. A description of the nature of the construction activity, including a proposed timetable for major activities;

G.4.e.1.B. Estimates of the following: total area of the site, the part of the site that is expected to undergo excavation or grading, and the total amount of excavation by cut and fill;

G.4.e.1.C. For each discharge design point, the pre-construction peak discharge from a one year, 24-hour storm in cubic feet per second and an the post-development peak discharge from a one year, 24-hour storm in cubic feet per second shall be calculated. The design procedures shall follow professionally accepted engineering and hydrologic

methodologies. This requirement may be waived by the WVDEP for projects that are expected to have no increase in peak discharges.

G.4.e.1.D. Site maps indicating, with a minimum of five-foot contours, drainage patterns and slopes prior to construction and anticipated conditions after grading activities, topsoil stockpiles, waste areas, borrow sites, locations of sediment control structures identified in the narrative, the location of impervious areas after construction is complete, final stormwater conveyance including all ditches and pipe systems, property boundaries and easements, nearest receiving stream, springs, surface water, access roads, a legend and any other information necessary to describe the project in detail.

G.4.e.1.E. A description and detail of the proposed construction entrance(s). Each site shall have stone access entrance and exit drives and parking areas to reduce the tracking of sediment onto public or private roads. Except for haul roads, all unpaved roads on the site carrying more than 25 vehicles per day shall be graveled.

G.4.e.2. Controls – Each construction operation covered by this permit shall develop a description of controls appropriate for the project and implement such controls. The description of these controls shall address the following minimum components, including a schedule for implementing such controls.

G.4.e.2.A. Erosion and sediment controls

G.4.e.2.A.i. Vegetative practices – A description of interim and permanent stabilization practices, including site specific implementation schedules of the practices shall be provided. Site plans should ensure that existing vegetation is preserved where attainable and that disturbed portions of the site are stabilized as rapidly as possible. Efforts should also be made to limit disturbance on steep slopes, minimize soil compaction, and preserve topsoil where feasible. Stabilization practices may include: temporary seeding, permanent seeding, mulching, geotextiles, sod stabilization, vegetative buffer strips, protection of trees, preservation of mature vegetation, and other appropriate measures. Also include in the plan seedbed preparation requirements and the type and amount of soil amendments necessary to establish a healthy stand of vegetation. A record of the dates when major grading activities will occur, and when construction activities temporarily or permanently cease on a portion of the site, and when stabilization measures will be initiated shall be included in the plan. Except as noted below, stabilization measures shall be initiated as soon as practicable in portions of the site where construction activities have temporarily or permanently ceased, but in no case more than seven days after the construction activity in that portion of the site has permanently ceased.

G.4.e.2.A.i.a. Where the initiation of stabilization measures by the seventh day after construction activity temporarily or permanently ceases is precluded by natural causes, stabilization measures shall be initiated as soon as conditions allow.

G.4.e.2.A.i.b. Where construction activity will resume on a portion of the site within 14 days from when activities ceased, (e.g., the total time period that construction activity is temporarily halted is less than 14 days) then stabilization measures do not have to be initiated on that portion of the site by the seventh day after construction activities have temporarily ceased.

G.4.e.2.A.i.c. Areas where the seed has failed to germinate adequately (uniform perennial vegetative cover with a density of 70%) within 30 days after seeding and mulching must be reseeded immediately, or as soon as weather conditions allow.

G.4.e.2.A.i.d. Clean water diversions must be stabilized prior to becoming functional.

G.4.e.2.A.i.e. A natural vegetative buffer shall be provided adjacent to receiving streams or other waters on or the project site. Vegetative buffers should be a minimum of 50 feet, however, a minimum of 100 feet is required if intended as a stand-alone erosion and sediment control practice. Vegetative buffers strips are not required if:

A natural vegetative buffer does not exist in pre-construction conditions, such as when the buffer has already been removed by existing development or agricultural activities; or

The receiving water is a man-made stormwater conveyance or storage structure, such as a ditch or storm water pond; or

In project locations where activities within waters have been approved under a CWA Section 404 permit and Section 401 water quality certification; or

In project locations where the vegetative buffer must be encroached to construct necessary infrastructure, such as a utility line or an access road. Justification for any encroachment must be provided by the applicant; or

Linear projects where right-of-way acquisition or area is limited.

G.4.e.2.A.ii. Structural practices – A description of the structural practices to be used to divert flows around exposed soils, storm flows or otherwise limit runoff from exposed areas and eliminate sediment-laden runoff from the site. Such practices may include but are not limited to silt fences, earth dikes and berms, land grading, diversions, drainage swales, check dams subsurface drains, pipe slope drains, storm drain inlet protection, rock outlet protection, reinforced soil retention systems and geotextiles, gabions and riprap, and permanent and temporary sediment traps/basins.

G.4.e.2.A.ii.a. For locations on a site that have a drainage area of five acres or less, a sediment trap which provides a storage volume equal to 3,600 cubic feet per acre of drainage

area shall be installed. Half of the volume of the trap shall be in a permanent pool and half will be dry storage.

G.4.e.2.A.ii.b. For drainage areas of greater than five acres, a sediment basin providing 3,600 cubic feet per drainage acre shall be installed. Half of the volume of the basin shall be in a permanent pool and half shall be dry storage. Sediment basins must be able to dewater the dry storage volume in 48 to 72 hours, however this requirement may be waived at the discretion of the WVDEP when skimmer devices are used. Dewatering structures must withdraw from the surface, unless infeasible. A sediment basin must be able to pass through the spillway(s) a 25-year, 24-hour storm event, and still maintain at least one foot of freeboard.

G.4.e.2.A.ii.c. The inlet(s) and outlet(s) for a sediment trapping structure must be protected against erosion by appropriate material such as riprap or other similar media.

G.4.e.2.A.ii.d. If necessary, diversions will be used to direct runoff to the trapping structure. Diversions to trapping structures may need to be stabilized prior to becoming functional.

G.4.e.2.A.ii.e. For locations served by a common drainage where a sediment basin providing 3,600 cubic feet of storage is not attainable or dewatering structures that withdraw from the surface are not feasible, additional sediment and erosion controls within the project area are required in lieu of the required sized sediment basin. Justification and a narrative description of the additional measures proposed must be provided for use of any practice(s) other than sediment basins or traps.

G.4.e.2.A.ii.f. Fill slopes must be protected by measures used to divert runoff away from fill slopes to conveyance measures such as pipe slope drains or stable channels.

G.4.e.2.A.ii.g. Sediment trapping structures shall be eliminated and the area properly reclaimed and stabilized when the contributing drainage area is stabilized and the structures are no longer needed, unless the structure is converted into a permanent stormwater control structure. This must be accomplished before the Notice of Termination is submitted.

G.4.e.2.A.ii.h. All trapped sediments shall be disposed on an upland area where there is no chance of entering nearby streams.

G.4.e.2.A.ii.i. Breaching the embankment to dewater the structure is not permitted. Dewatering and structure removal shall not cause a violation of water quality standards. Provide a description of the procedures that shall be used in removing these structures and the time frame.

G.4.e.2.A.ii.j. No sediment-laden water shall be allowed to leave the site without going through an appropriate best management practice.

G.4.e.2.A.ii.k. Hay or straw bales are not acceptable BMPs.

G.4.e.2.A.ii.l. Use of Treatment Chemicals - Polymers, flocculants, or other treatment chemicals may be used only in accordance with good engineering practices and specifications for use by the chemical provider/supplier. Documentation of proposed practices and specifications for the use of treatment chemicals shall be provided in the SWPPP. The use of cationic treatment chemicals is prohibited.

G.4.e.2.A.iii. Presumptive conditions for discharges to Tier 3 waters

Construction activities discharging to Tier 3 waters shall go through the Tier 3.0 antidegradation review process.

G.4.e.2.B. Stormwater control plan

A description of measures that shall be installed during construction to control pollutants in stormwater discharges when the project is completed shall be included in the SWPPP. The completed project shall convey stormwater runoff in a manner that shall protect both the site and the receiving stream from post-construction erosion. All surface waters and other runoff conveyance structures shall be permanently stabilized as appropriate for expected flows. In developing structural practices for stormwater control, the permittee shall consider the use of, but not limited to: infiltration of runoff onsite; flow attenuation by use of open vegetated swales and natural depressions; stormwater retention structures and stormwater detention structures. A combination of practices may be utilized. The permittee should consider low impact development (LID) in the design of the site and the best management practices. This will allow the site to retain its natural hydrology and infiltrate stormwater within the boundary of the site. The use of impervious surfaces for stabilization should be avoided. Velocity dissipation devices shall be placed at the outlet of all detention or retention structures and along the length of any outlet channel as necessary to provide a non-erosive velocity flow from the structure to a water course.

Projects located in areas that have local government requirements and/or criteria for post development stormwater management are subject to meeting those requirements and/or criteria. Compliance with this General Permit does not assure compliance with local codes regulations, or ordinances.

The permittee shall submit all calculations, watershed mapping, design drawings, and any other information necessary to explain the technical basis for the stormwater management plan. Design procedures shall follow professionally accepted engineering and hydrologic methodologies. Permanent stormwater control structures that will impound water (detention/retention basins or similar structures) shall be designed and certified by a registered professional engineer.

G.4.e.2.C Other controls

G.4.e.2.C.i. Waste disposal –All solid waste and construction/demolition material must be disposed of in accordance with the Code of West Virginia and Legislative Rule Title 33 Series 1, (Solid Waste Management Rule).

G.4.e.2.C.ii. Provisions must be made to control fugitive dust.

G.4.e.2.C.iii. Groundwater Protection Plan (GPP) – The applicant shall prepare a GPP that shall satisfy the 47CSR58-4.11. et seq. Groundwater must be protected in accordance with the Code of West Virginia and Legislative Rule Title 47 Series 58 (Groundwater Protection Rule).

G.4.e.2.C.iv. Employee training — Employee training programs shall inform all on-site personnel who directly involved with construction activities at all levels of responsibility of the components and goal of the SWPPP. Training should address topics such as spill response, good housekeeping and routine inspection. Training shall be on a quarterly basis while construction activities subject to this General Permit are occurring and records of the training shall be maintained on site for review by the Director or the Director's representative.

G.4.e.2.C.v. Visual inspection – Company personnel shall be identified to inspect as set forth under G.4.e.2.D. A tracking procedure shall be used to ensure that adequate corrective actions have been taken in response to deficiencies identified during an inspection. Records of inspections shall be maintained onsite for review by the Director or the Director's representative. Once a definable area has been finally stabilized, no further inspection requirements apply to that portion of the site. Inspections are not required to be conducted if that area is unsafe at the time of inspection.

G.4.e.2.C.vi. Recordkeeping and internal reporting procedures – Incidents such as spills, leaks and improper dumping, along with other information describing the quality and quantity of stormwater discharges should be included in the records. Inspection and maintenance records must be kept onsite for review by the Director or the Director's representative.

G.4.e.2.D Maintenance

The SWPP shall include a description of procedures to maintain in good and effective condition and promptly repair or restore all grade surfaces, walls, dams and structures, vegetation, erosion and sediment control measures and other protective devices identified in the site plan. Procedures in a plan shall provide that all erosion and sediment controls on the site are inspected at least once every seven calendar days and within 24 hours after any storm event of greater than 0.5 inches of rain per 24-hour period. Inspections are not required in areas that, at the time of inspection, are considered unsafe for inspection personnel. Once a definable area has been finally stabilized, no further inspection requirements apply to that portion of the site.

Inspections are not required to be conducted if that area is unsafe at the time of inspection.

G.4.e.2.D.i. All public and private roads adjacent to a construction entrance must be inspected and cleaned of debris originating from the construction site.

G.4.f. All Stormwater Pollution Prevention Plans and Groundwater Protection Plans required under this permit are considered reports that shall be available for review to the public under Section 308(b) of the CWA. The owner or operator of a project with stormwater discharges covered by this permit shall make plans available to members of the public upon request. However, the permittee may claim any portion of a Stormwater Pollution Plan or Groundwater Protection Plan as confidential in to the extent permissible by 47 CSR10-12.7. (NPDES Program).

G.4.g. Compliance with other laws and statutes

Nothing in this General Permit shall be construed as excusing the permittee from compliance with any applicable federal, state, or local statutes, ordinances, or regulations.

G.5. Discharges to Impaired Waters

This permit does not authorize new sources or new discharges of constituents of concern to impaired waters unless consistent with the approved total maximum daily load (TMDL) and applicable state law. Impaired waters are those that do not meet applicable water quality standards and are listed on the Clean Water Act Section 303(d) list. Sites that discharge into a receiving water that has been listed on the Clean Water Act 303(d) list of impaired waters, and with discharges that contain the pollutant(s) for which the water body is impaired, must document in the SWPPP how the BMPs will control the discharge of the pollutant(s) of concern. Pollutants of concern are those constituents for which the water body is listed as impaired.

Discharges of pollutants of concern to impaired waterbodies for which there is an approved TMDL are not eligible for coverage under this permit unless they are consistent with the approved TMDL as determined by the WVDEP. TMDL's that have established acreage limits for Stormwater Construction General Permit Registrations require no special conditions provided the acreage cap has not been met for the receiving stream other than the registration only being issued for one (1) year . If the acreage cap has been reached, additional area may be permitted if effluent limitations and monitoring is required consistent with limits established by the TMDL. Within six months of a new TMDL approval, permittees must incorporate any limitations, conditions or requirements applicable to their discharges necessary for compliance with the TMDL, including any monitoring or reporting required by DWWM rules, into their SWPPP in order to be eligible for coverage under this General Permit. The Director

may elect to set effluent limitations and require discharge monitoring and public notice for any project within TMDL acreage limited areas.

G.6. Endangered and Threatened Species and State Historic Preservation Officer

If a site discharges to a stream where a federally endangered or threatened species or its habitats are present, the applicant must contact the U.S. Fish and Wildlife Service to ensure that requirements of the federal Endangered Species Act, 16 U.S.C. 1531 et. seq. are met.

For those projects that may impact historic preservation sites, the permittee shall coordinate the project with the State Historic Preservation Officer.

H. Reopener Clause

If there is evidence indicating potential or realized impacts on water quality due to any stormwater discharge authorized by this General Permit, the owner or operator of such discharge may be required to obtain an individual permit or alternative General Permit in accordance with Section G.1. of this General Permit or the General Permit may be modified to include different limitations and/or requirements.

I. The conditions, standards, and limitations of this General Permit shall be reviewed at the time of reissuance for possible revisions that may lead to more or less stringent conditions, standards, and limitations.

J. Permit coverage for construction activities encompassed by this permit expires upon satisfactory stabilization of the site. Satisfactory stabilization means **ALL** disturbed areas shall be covered by some permanent protection. Stabilize includes pavement, buildings, waterways (riprap, concrete, grass, or pipe), a healthy, vigorous stand of grass or native vegetation that uniformly covers more than 70 percent of the ground, stable outlet channels with velocity dissipation which directs site runoff to a natural watercourse, and any other approved structure or material. The permittee shall request a final inspection by sending in the Notice of Termination. Sites not stabilized shall continue to have coverage under this permit and shall be assessed an annual permit fee as promulgated by the West Virginia Legislature. Sites shall be assessed a prorated annual fee based upon the completion date and proper stabilization. The Notice of Termination must be submitted within 30 days after final stabilization is achieved.

****

The herein-described activity is to be constructed or installed and operated, used and maintained strictly in accordance with the terms and conditions of this General Permit with any plans, specifications, and information submitted with the individual site registration application form, with any plan of maintenance and method of operation thereof submitted and with any

applicable rules and regulations promulgated by the Environmental Quality Board and the Secretary of the Department of Environmental Protection.

Failure to comply with the terms and conditions of this General Permit, with any plans, specifications and information submitted, and with any plan of maintenance and method of operation thereof submitted shall constitute grounds for the revocation or suspension of this permit to any individual establishment or other person and for the invocation of all the enforcement procedures set forth in Chapter 22, Articles 11 and 12 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Chapter 22, Article 11 of the Code of West Virginia.

BY: _____
Director

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 01/24/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Berry Bippus Chison and Foose
P. O. Box 431
Wheeling, WV 26003

CONTACT NAME: Brenda Snyder
PHONE (A/C, No, Ext): 304.232.1300 FAX (A/C, No): 304.233.1732
E-MAIL ADDRESS: brendas@bbcfinsurance.com
PRODUCER CUSTOMER ID #: 00001287

INSURED

Ohio County Public Service District
P.O. Box 216
Triadelphia, WV 26059

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	National Union Fire Company	19445
INSURER B:	General Star National Ins Co	11967
INSURER C:	Westfield Insurance Co.	24112
INSURER D:	State Auto Insurance Co	31976
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER: WV Water Dept Auth** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC			L4648 (02/03/10)	07/01/2012	07/01/2013	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 0 $ Included $ N/A $ N/A
A	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [X] SCHEDULED AUTOS [X] HIRED AUTOS [X] NON-OWNED AUTOS			L4648 (02/03/10)	07/01/2012	07/01/2013	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
B	[ ] UMBRELLA LIAB [X] OCCUR [X] EXCESS LIAB [ ] CLAIMS-MADE [ ] DEDUCTIBLE [ ] RETENTION $			NXG410596C	07/01/2012	07/01/2013	EACH OCCURRENCE AGGREGATE	$ $ 1,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
C	Bond Coverage Property- Insurer D			537068 SPP2479945	02/02/2013 03/26/2012	02/02/2014 03/26/2013	$200,000 total $2,527,800 blanket	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

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

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Carl Bippus/BRE

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west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street S.E.
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

July 27, 2012

Robert R. Lechetti, Chairman
Ohio County PSD
5583 National Road
Triadelphia, WV 26059

RE: Ohio County PSD – Dallas Pike
SRF No. C-544373-01

Dear Chairman Lechetti:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be electronically submitted to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If you have any questions, please don't hesitate to call Elbert Morton, P.E., of my staff at (304) 926-0499, ext. 1589.

Sincerely,

Katheryn D. Emery, P.E.
Program Manager
Clean Water SRF Program

KE/em

cc: Vaughn, Coast, & Vaughn

RECEIVED
SEP 06 2011
WV PUBLIC SERVICE COMMISSION

State of West Virginia
OFFICE OF ENVIRONMENTAL HEALTH SERVICES

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

PERMIT

(Sewer)
PROJECT: Dallas Pike Wastewater Facilities
8" Sewage Force Main Tie-Ins

PERMIT NO.: 18,876

LOCATION: Dallas Pike **COUNTY:** Ohio **DATE:** 8-29-2011

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

Ohio County Public Service District
P. O. Box 216
Triadelphia, West Virginia 26059

is hereby granted approval to: install approximately 2,600 LF of 8" force main.

These facilities complete the installation of the 8" force main approved in Permit No. 17,608 issued July 31, 2007 for The Highlands Lot #13. This force main should provide service to other future developments (motel, restaurant and retail businesses) near Lot #13 and complete the southwestern portion of the original Dallas Pike Wastewater Facilities project force main interceptor.

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: Vaughn, Coast & Vaughn, Inc
Jefferson Brady, P.E., DEP
Amy Swann, PSC
Ingrid Ferrell, PSC-Eng. Div.
Ohio County Health Department
OEHS-EED Wheeling District Office

RECEIVED
11 DEC 23 AM 8:58
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

PSC Case No. 11-0902-PSD-PC

RECEIVED
11 DEC 23 AM 8:59
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

ALTERNATE MAIN EXTENSION AND TRANSFER AGREEMENT

This **ALTERNATE MAIN EXTENSION AND TRANSFER AGREEMENT** (this "Agreement") is dated ~~September~~ 11/30 2011, by and among the **OHIO COUNTY PUBLIC SERVICE DISTRICT**, a public corporation and political subdivision of the State of West Virginia, located at 411 National Road, Triadelphia, West Virginia, 26059 (the "District") and **QUADRANT 11 LLC**, a West Virginia limited liability company, with its principal office located at 1167 McCutcheon Road, Triadelphia, WV, 26059, telephone (304)547-0416 (the "Developer") and **Jonathan P. Duggan** of 182 Wenor Woods, Triadelphia, West Virginia, 26059 and **James P. Duggan** of 80 Wenor Wood, Triadelphia, Ohio County, West Virginia, 26059 (collectively the "Owners" and "Guarantors").

RECITALS

A. The Developer is owned and managed by Jonathan P. Duggan, James P. Duggan, and Haig Buchakjian, who own a nine (9) acre tract of land (the "Site") located at the corner of Cabela Drive and Gantzers Ridge Road in Ohio County, West Virginia on the southeast side of the Interstate 70 in the vicinity of the economic development project in the Dallas Pike area commonly known as the Highlands.

B. The Developer plans to develop the Site for hotel, retail, office, restaurant, or a combination of those uses (the "Development"). As part of its overall plan, the Developer intends to subdivide the Site and transfer a 2.5-acre parcel to be used for the development of a hotel or other similar use (the "Hotel Site").

C. In order to facilitate development of the Hotel Site on a timetable favorable to it, the Developer proposes to construct or caused to be constructed (i) a segment of eight-inch (8") sewer force main, approximately 1,600 feet in length, that will connect the District's existing gravity sewer main at Middle Creek to the eight-inch (8") force main previously constructed by the Ohio County Development Authority (the "Authority") under the *Alternate Main Extension Agreement*, dated June 22, 2004, between the Authority and the District as approved in West Virginia Public Service Commission Case No. 04-0902-PSWD-PC; and (ii) a segment of eight-inch (8") sewer force main, approximately 1,300 feet in length, that will connect to existing portions of the eight-inch (8") force main, constructed by the Authority along Gantzer's Ridge Road (collectively the "Extension"). The location of the Extension is shown on the plat(s) and drawing(s) attached hereto as **Exhibit B**.

D. The estimated cost of the eight-inch (8") force main Extension is $125,000.00. In order to pursue current development opportunities, the Developer will undertake and pay for the cost of construction for the Extension.

E. After construction of the Extension, the Developer desires to transfer the Extension to the District.

F. The District is currently developing plans to extend the eight-inch (8") sewer force main to the greater Dallas Pike area to the east of the Highlands so that prospective commercial, industrial, and business customers in the Dallas Pike area, whose systems are out of compliance with West Virginia Department of Environmental Protection requirements, may tie in and connect to the District's sanitary sewage collection system (the "Dallas Pike Sewer Main Extension Project" or the

"Project"). But for this Agreement, the Project would include completion of the Extension described in Paragraph C above.

G. To pursue the development opportunities presently available to it, the Developer is willing to undertake construction of the Extension at its expense rather than wait for completion of the District's Project, for which the District will seek financing from the West Virginia Infrastructure and Job Development Council ("WVIJDC") and must receive approval from the West Virginia Public Service Commission.

H. The District is willing to reimburse the Developer for the cost of the eight-inch (8") force main Extension, which is necessary for its Project, provided the WVIJDC will lend the District sufficient funds to cover the cost of such reimbursement, and it receives all required approvals and authorizations and is otherwise legally permitted to do so. The parties estimate that the cost will not exceed $125,000.00.

I. It is in the best interest of the Developer, the District, and future customers and users in the Dallas Pike area to have the Extension completed to provide for future development and growth, to facilitate completion of the District's Project, and to bring prospective customers into compliance.

J. The completion of the Facilities will not jeopardize service to existing customers of the District.

K. The District desires to obtain and maintain, including operation and maintenance of, the Extension once completed, tested, and transferred.

L. The Developer has read in its entirety and understands the Public Service Commission's Sewer Rule 5.5 ("Rule 5.5"), and nonetheless desires to enter into this Agreement and waive the right to receive cost estimates for the District to construct the extension pursuant to Rule 5.5 and waive any right to compensation for the cost of the construction of the Extension from those customers that connect to the extension in the future (a copy of Rule 5.5 is attached as **Exhibit A**).

M. As consideration and an inducement for this Agreement, the Owners agree to unconditionally guarantee Developer's performance of this Agreement.

N. By Order, entered September 1, 2011, the Public Service Commission of West Virginia approved this Agreement in Case No. 11-0902-PSD-PC, subject to the filing of an executed copy hereof and a permit for the Extension issued by the Office of Environmental Health Services of the West Virginia Department of Health and Human Resources.

Therefore, in consideration of the foregoing and the terms set forth hereinafter, the parties, intending to be bound, agree as follows:

Section 1. Conditions Precedent.

1.1 This Agreement and the respective terms and obligations of the parties are neither binding nor effective until approved by the Public Service Commission of West Virginia.

1.2 None of the parties to this Agreement will be obligated to carry out their respective obligations hereunder in the event conditions beyond the reasonable control of either party prevents one party to this Agreement from meeting its obligations hereunder.

1.3 Developer shall not be obligated to undertake construction of the Extension hereunder unless and until construction of improvements on the Hotel Site has commenced, whereupon Developer shall promptly undertake construction of the Extension. The foregoing notwithstanding, Developer may, however, elect to undertake construction of the Extension sooner by giving written notice to the District of its intent to do so. Once Developer undertakes construction or gives such notice, Developer shall complete the Extension with reasonable diligence and dispatch.

Section 2. Design.

2.1 Except as otherwise provided herein, the District bears no financial responsibility for the design of the Extension, and the Developer shall be responsible for the design and all costs related to the design of the Extension.

2.2 The Developer certifies that it has employed a registered professional civil engineer, licensed by the State of West Virginia, to design the Extension, who is acceptable to the District.

2.3 The design and construction of the Extension has been reviewed and approved by the District's engineer. The design and construction meet the current specifications and regulatory requirements of the District, as applicable.

Section 3. Permits and Easements.

3.1 The Developer has obtained or will obtain all necessary permits, authorizations, and approvals of federal, state and local agencies for the construction of the Extension. The Developer has been and shall be responsible for all costs related to these obligations.

3.2. To the extent they have not already been acquired by the District, the District will obtain all necessary and appropriate easements for the Extension. The Developer shall be responsible for all costs expended by the District to obtain any easements required for the Extension.

3.3 Developer or Owners, as the case may be, will grant the District any and all necessary and appropriate easements for the Extension at no expense to the District.

Section 4. Cost.

4.1 The Developer will pay for and obtain the necessary permits from the Bureau of Public Health and will pay for all design, construction, and installation of, and materials necessary for, the Extension, subject to Developer's limited right to obtain reimbursement from the District as set forth herein below. The District will bear no financial responsibility for the cost of design, construction, materials, and installation of the Extension excepted as provided below.

4.1.1 As part of its application for financing to the WVIJDC for the Dallas Pike Sewer Main Extension Project, the District will seek financing sufficient to cover the Extension Costs to be actually incurred by the Developer, not to exceed $125,000, (the "Capped Costs"). If the WVIJDC does not approve the District's application for financing of the Project in whole or part, the

District may seek, but shall not be obligated to seek, other financing from such sources, by such methods, and upon such terms as it considers appropriate in its sole and absolute discretion. To the extent it is able and permitted to do so by law, the District will include the Capped Costs as part of any alternate financing sought for the Project from external sources.

4.1.2 Only to the extent the District receives sufficient external financing to do so and provided (i) the District is permitted to do so by law and (ii) all necessary government and regulatory approvals are secured, including WVIJDC approval as applicable, the District will reimburse the Developer for its Extension Costs actually incurred, not to exceed $125,000.

4.1.3 As a further condition for reimbursement, the Developer shall supply the District, its representatives, and the WVIJDC, if requested, an itemized, detailed statement of work and corresponding detailed invoices and, upon request, such invoices from and proof of payment for all suppliers, materialmen, contractors, and subcontractors, which furnished materials, work, and/or labor for the Extension. The District's obligation to reimburse the Developer shall be conditioned upon its receiving documentation of the Extension Costs to its satisfaction. Provided the foregoing conditions are satisfied, District will only reimburse the Developer for its direct costs actually incurred for the Extension, not to exceed $125,000.

4.1.4 In the event the District does not obtain external financing sufficient to cover both the District's costs and all or any portion of the Capped Costs, the District shall have no obligation to seek or obtain additional financing.

4.1.5 The District can only reimburse the Developer to the extent it receives sufficient funds from its external financing sources to apply towards the Capped Costs. The District may defer payment of all or a portion of the reimbursement until the Project is complete and its actual costs have been finally determined and fully paid.

Section 5. Construction, Inspection and Final Testing.

5.1 Construction. The Developer shall construct the Extension or cause it to be constructed in accordance with the following:

5.1.1 The Developer shall notify the District at least five business days prior to the commencement of construction.

5.1.2 All construction will be completed in accordance with approved plans and specifications and in accordance with accepted universal standards and codes.

5.1.3. Prior to the commencement of construction, the Developer shall provide to the District a complete set of plans and specifications and shop drawings of the extension and continually update these plans through the design and construction of the system as needed. Upon completion of construction, the Developer shall provide to the District each a complete set of "as built" plans and specifications for the Extension. The Developer shall provide to the Staff of the Public Service Commission a copy of plans for the Extension upon request.

5.1.4. Not less than ten days prior to the commencement of construction, the Developer shall cause each contractor hired by the Developer to furnish a Performance Bond

and Payment Bond, each in the amount of 100 percent of its contract price, which protects and names the District as an obligee, and with a corporate surety approved by the District.

5.1.5. The Developer shall cause the contractor or contractors hired by the Developer to provide a one-year guarantee of materials and workmanship, calculated from the date of substantial completion of the Extension. The Developer shall assign the guarantee to the District.

5.1.6. At all times during construction of the Extension, the Developer shall maintain sole ownership of the Extension.

5.2 Inspection. During construction of the Extension, the District, at its own cost, may conduct inspections as is necessary to determine whether the construction is being performed in accordance with approved plans, specifications and standards of the District.

5.3. Final Testing and Inspection.

5.3.1. At the completion of construction of the Extension, the Developer shall test the Extension under the observation of the District. Such testing shall be provided and paid for by the Developer and conform to the applicable testing requirements for Sewage Treatment And Collection Systems as specified in the regulations of the Bureau of Public Health, Title 64, West Virginia Code of State Rules, Series 47, governing system design standards.

5.3.2. The District may conduct such other testing as it desires and shall be responsible for the cost of such testing, including any necessary equipment and labor.

5.3.3. Testing shall be done not less than fifteen (15) days after the completion of construction of the Extension.

5.3.4. The Developer shall provide the District at least 48 hours notice of any test to be done by the Developer and the District shall provide a qualified representative to witness and approve the test.

5.3.5. If any portion of the Extension fails any of the tests, then the Developer shall remedy the defect at its expense. If the District determines that any tests need repeated, the Developer shall provide for such tests at its own expense.

5.3.6. The District shall notify the Developer in writing within five days of the test(s) as to whether the Extension are acceptable and if not, what parts are defective and what remedies are required. As soon as the Developer realizes a failure in testing, it may commence any repairs or changes immediately.

Section 6. Transfer of Ownership.

6.1. Upon completion of the construction of the Extension (including final testing) and a determination by the District that the Extension is in good and proper working condition and that no changes, repairs or additions are necessary, and that the entire project is complete in all respects in accordance with the plans and specifications, the Developer shall deliver and the District shall

acquire ownership of the Extension, including all easements, piping equipment, electrical service, and appurtenances necessary for ownership, operation, and maintenance of the Extension. At such time, the District shall provide the Developer written notice of its acceptance of the same.

6.2. At the time of transfer of ownership, the Developer shall deliver to the District all shop drawings, operating manuals and written warranties that were required by the construction specifications and drawings.

6.3. Notwithstanding any other provision of this Section to the contrary, the parties may agree that the Developer may transfer ownership of a completed portion or phase of the Extension to the District prior to full completion of the Extension.

Section 7. Operation and Maintenance of Facilities.

7.1. Subsequent to the transfer of ownership pursuant to Section 5, the District shall operate and maintain the Extension.

Section 8. Representations and Warranties.

8.1. The District represents and warrants that the execution, delivery and performance of this Agreement by the District have been duly authorized and that, subject to the conditions precedent set forth in Section 1 hereof, this Agreement constitutes a valid and binding obligation of the District enforceable in accordance with its terms.

8.2. Developer agrees to indemnify and save the District harmless against any and all claims for injuries and/or damages which may arise or accrue during the construction of the Extension by the Developer, its agents and contractors. Further, the Developer agrees to name the District, or cause the District to be so named by all of the Developer's contractors and sub-contractors, as an additional insured during construction of the Extension and through the time of transfer of ownership.

8.3. Developer will protect, defend, and hold the District harmless from and against all Claims of any contractors, subcontractors, suppliers, laborers, suppliers, and materialmen arising out the construction of the Extension, the performance of any work, or the furnishing of any materials, machinery or other equipment or supplies. Developer will discharge or cause to be discharged all liens arising from such Claims, which may accrue and be filed or recorded against the Extension or the land upon which the Extension is located. The Developer shall indemnify, and hold the District, its successors and assigns, harmless from and against all liability, loss, damages, charges, costs, fines, penalties, expenses, attorney's fees, and litigation expenses with respect to or arising out of all present or future liens.

Section 9. Connections; Future Use of Facilities for Extension to Other Customers.

9.1. The District reserves the right to further extend services from the Extension to other customers in the future. In such an event, the Developer is not entitled to a refund for attaching of customers to the Extension.

9.2. If the Developer installs service connections to connect to the Extension, the District shall <u>not</u> charge a tap fee.

9.3. If the District installs service connections to the Extension it will charge the approved tap fee in the applicable tariff.

9.4 In accordance with Sewer Rule 5.5.h.10.c (Title 150, West Virginia Code of State Rules, Section 150-5-5.5.h.10.c), the Developer, the Owners, and their successors and assigns, as developers and owners of the Site, shall grant the District the necessary easements to allow the District to make future extensions into any and all unserved areas. The granting of such necessary easements shall be made without the District's being required to pay additional consideration for the additional easements to the Developer, the Owners, and their successors or assigns.

Section 10. Covenants and Acknowledgements.

10.1 The Developer has read in its entirety and understands Rule 5.5, and nonetheless desires to enter into this Agreement and waive the right to receive cost estimates for the District to construct the extension pursuant to Rule 5.5 and waives any right to compensation for the cost of the construction of the Extension, except as expressly set forth herein.

Section 11. Guarantee of Performance.

11.1 As consideration for and to induce District to enter into this Agreement, performance of each and every obligation of the Developer hereunder is hereby absolutely and unconditionally guaranteed without reservation by the Owners, Jonathan R. Duggan and James R. Duggan, ("Guarantors") jointly and severally without any duty or necessity to provide notice of default, notice of demand for performance, or first proceeding against or exhausting any remedies against the Developer, all of which shall be waived.

Section 12. Miscellaneous Provisions.

12.1. Except as specifically provided herein, nothing in this Agreement is to be construed to make the District liable or responsible for any obligations of the Developer, and this Agreement is not to be construed to make the Developer liable for the obligations of the District.

12.2. Upon transfer of ownership to the District, nothing in this Agreement is to be construed to provide the Developer with any ownership or other interests in the Extension transferred to the District.

12.3. This Agreement constitutes the entire Agreement amongst the parties with respect to the matters addressed and may be amended only in a subsequent writing executed by both parties.

12.4. This Agreement may not be assigned without the mutual written consent of the parties and is binding upon all purchasers and assigns. Any assignment without such consent is void. Notwithstanding the provisions of this subsection, no party shall unreasonably withhold consent to an assignment of this Agreement.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Developer, Owners, and Guarantors are signing this Agreement with the intent to be legally bound.

QUADRANT 11 LLC, Developer

By: Jonathan P. Duggan
Its: Member

Dated: 11/4/11

By: James P. Duggan
Its: Member

Dated: 11/4/11

By: Harg Buchakjian
Its: Member

Dated: 11/2/11

Jonathan P Duggan, Individually as Owner and Guarantor

Dated: 11/4/11

James P Duggan, Individually as Owner and Guarantor

Dated: 11/4/11

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM FOLLOWING PAGE]

IN WITNESS WHEREOF, the District is signing this Agreement with the intent to be legally bound and hereby accepts the Guarantee of Performance given by the Guarantors.

OHIO COUNTY PUBLIC SERVICE DISTRICT

By: Robert R. Luchetti
Its: Chairman

Dated: 11/30/11

EXHIBIT A – RULE 5.5

EXHIBIT A

TITLE 150
LEGISLATIVE RULE
PUBLIC SERVICE COMMISSION

SERIES 5
RULES FOR THE GOVERNMENT OF
SEWER UTILITIES

§150-5-5. Utility Facilities; Service Pipes; Extension of System.

5.1. Adequacy of facilities.

5.1.a. The collecting system of every sewer utility shall be designed, constructed, maintained and operated to receive and transport the sewage from its customers' outlets to its treatment plant without undue delay.

5.1.b. Where the terrain is such that pumping or lift stations must be provided, such facilities must have the approval of the Bureau for Public Health and the Department of Environmental Protection and be operated under the rules of the Bureau for Public Health and the Department of Environmental Protection.

5.1.c. When a new sewer utility proposes to construct and operate a sewer service business, its entire plant layout shall be approved by the Bureau for Public Health and the Water Resources Division of the Department of Environmental Protection.

5.1.d. Construction and maintenance of plant -- Each utility shall at all times construct and maintain its entire plant and system to furnish safe, adequate and continuous service.

5.1.e. Inspection of plant -- Each utility shall inspect its plant and facilities in such manner and with such frequency as is necessary to insure a reasonably complete knowledge as to their conditions and adequacy at all times. Such inspections must comply with the legally applicable requirements of the Minimum Federal Safety Standards (Federal Occupational Health and Safety Administration) and the Bureau for Public Health and the Department of Environmental Protection.

5.1.f. Records of conditions -- Records necessary for the proper maintenance of the system and in accordance with the Bureau for Public Health and the Department of Environmental Protection and the Minimum Federal Safety Standards shall be kept of the conditions found. In special cases, a more complete record may be specified by the Commission.

5.1.g. Records of operation -- Each utility shall keep a record of the operation of its plant, which, so far as practical, shall show sufficient details of plant operation as is necessary to substantially reproduce its daily operations. The records shall also be maintained in accordance with the requirements of the Minimum Safety Standards and the Bureau for Public Health and the Department of Environmental Protection.

5.1.h. Report to Commission -- Each utility shall, upon request of the Commission, file with the Commission a statement regarding the condition and adequacy of its plant, equipment, and facilities, and of its operations and service in such form as the Commission may require.

5.2. Utility Service Pipe.

5.2.a. Where the service pipe is required for the immediate and continuous use for general service to premises abutting the public street or right-of-way in which mains are located, the utility will furnish, install, and maintain the utility service pipe and appurtenances between the main in the street up to the customer's point of service at or near 90 degrees to the main. All such service pipes and appurtenances shall be installed only by the utility unless by prior written agreement.

5.2.b. The utility shall determine the location of the utility service pipe.

5.2.c. The utility shall install and maintain, at its own cost and expense, all of the utility service pipe to the point of service, regardless of the side of the road on which the customer is located in reference to the main line. The utility shall designate the point of service on the customer's side of the road.

5.2.d. The utility shall not make any charge for furnishing and installing any permanent service connection, unless the utility has prior approval of the Commission to charge a tap fee and the same is set forth in the utility's tariff on file with the Commission.

5.2.e. The utility service pipe shall remain under the utility's sole control and jurisdiction.

5.2.f. The customer shall not attach any fixtures to, or make any branches in, the utility service pipe between the point of service and the main. Violation of this rule may result in termination of service pursuant to these rules.

5.2.g. Temporary service connections for construction or other temporary purposes shall be installed by the utility at the cost of the applicant.

5.2.h. Each utility shall adopt standard methods of installation where practicable. Such methods shall be set out with written descriptions and drawings to provide a clear understanding of the requirements; all of which shall be submitted to the Commission.

5.2.5. Availability defined -- Sewer service will be deemed available to a customer when a main is installed and maintained by the utility in such location and at such distance from the user's premises as may be provided by city ordinance or by the rules of the utility: Provided, that service shall not be deemed to be available unless the sewage will flow by gravity or be transported by such other methods approved by the Bureau for Public Health including, but not limited to, vacuum and pressure systems, approved under W. Va. Code §16-1-9, from the customer's premises into the utility's facilities.

5.3. Customer Service Pipe.

5.3.a. No customer, plumber, company owner or any agent shall connect to the utility's main or to any utility service pipe, or extend the pipes therefrom to any premises for the purpose of securing sewer service, until application has been made therefor to the utility as provided in these rules and permission for doing so has been granted by the utility in writing.

5.3.b. Once an application for service has been granted, the customer shall install and maintain the customer service pipe.

5.3.c. The utility's authorized employee shall inform the customer of the location of the point of service. The customer shall install the customer service pipe to the point of service after which the utility will install the utility service pipe from the main to the point of service.

5.3.d. Where the utility's service pipe is already installed to the point of service, the customer shall connect with the utility service pipe as installed.

5.3.e. The customer service pipe shall be installed in a workmanlike manner, shall conform to all reasonable rules and regulations of the utility, and shall be maintained by the customer at his own expense.

5.3.f. The utility will specify the size, kind, quality and location of all materials used in the customer's service pipe and the customer shall comply with those specifications.

5.3.g. A customer must maintain his service pipe in good condition and free from all leaks and defects, at the customer's cost and expense. A customer's failure to comply with this rule may result in termination of water or sewer service pursuant to these rules.

5.3.h. The customer's service pipe shall be laid below the frost line at all points and shall be placed on firm and continuous earth so as to give unyielding and permanent support; and be installed in a trench at least two feet in a horizontal direction from any other trench wherein gas pipe, water pipe, or other facilities, public or private, are or are to be installed.

5.3.i. A customer's service pipe shall not pass through or across any premises or property other than that to be served nor across any portion of the property that could practicably be sold separately from the immediate premises served and no pipes or plumbing in any premises shall be extended therefrom to adjacent or other premises.

5.3.j. The customer's service pipe and all connections and fixtures attached thereto shall be subject to the inspection of the utility before use, and all premises, including any and all fixtures within the said premises, shall at all reasonable hours be subject to inspection by a duly authorized employee of the utility.

5.3.k. The utility shall make changes and bear the full costs of changes in the customer's service pipe required due to changes in grade, relocation of mains, and other causes not related to the customer. The customer shall bear the full costs of changes in service pipe or meter location desired by the customer for his or her convenience.

5.3.l. The customer shall not attach any fixtures to, or make any branches in, the customer service pipe between the point of service and the premises served. Violation of this rule may result in termination of service pursuant to these rules.

5.3.m. The connection of surface drains to the sanitary system is prohibited. As a means to deter prohibited connections where surface or ground water is introduced into the sanitary system, the utility may add a surcharge to the customer's sewer bill where evidence of a violation exists. The surcharge shall be authorized by separate schedule to the utility's sewer tariff filed pursuant to the Rules for the Construction and Filing of Tariffs, 150CSR2, but the utility need not file revenue, expense, or other financial data unless otherwise ordered by the Commission. The charge for roof drains, downspouts, storm sewers or similar facilities connected to the sanitary sewer system will be calculated by the formula or rate clearly stated in the tariff, and will not be cumulative to any metered rate for sewer service. The tariff should further provide that the surcharge will not be imposed unless and until the customer is notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer, and that the customer has thirty (30) days to divert that water from the sanitary sewer.

5.5. Extension of mains to serve new customers.

5.5.a. A sewer utility, whether publicly or privately owned, is under a public service obligation to extend its mains, and its plant and facilities to serve new customers within its service area who may apply for service.

5.5.b. Extensions shall be made in all cases in which the public convenience and necessity require the service, construction problems are not unusual or burdensome, and the extensions appear to be economically feasible.

5.5.c. For any proposed extension of mains, a reasonable relationship should exist between the per customer investment to serve new customers and the per customer investment to serve old customers.

5.5.d. Every effort shall be made by a utility to install its main line in the public road right-of-way or in a utility right-of-way abutting the public road right-of-way.

5.5.e. Extension for general sewer service.

1. The utility will respond to all inquiries regarding new sewer service, whether oral or written, by explaining all available options for obtaining service under these rules.

2. The utility will, upon written request for service in the form of Sewer Form No. 4, by a prospective customer or group of prospective customers located in the same neighborhood, determine the necessary size of main required to give service and make an estimate of the cost of providing the requested service, using the form of Sewer Form No. 5, including pipe, valves, manholes, fittings, necessary materials, permits, labor costs incurred by the utility when the utility externally contracts for the construction of the extension, or internal labor costs, provided such internal or external costs are not recovered in existing rates, and other applicable related costs. When a road crossing(s) is (are) necessary to serve the customer(s) requesting service, the cost estimate shall not include costs attributable to extending the main across the first road (closest to the already existing main), but shall include the costs of installing the main across a second and any subsequent road(s). The written estimate calculated using Sewer Form No. 5 shall be provided to the customer in the form of Sewer Form No. 6, no more than forty-five (45) days from the receipt by the utility of the written request for service. The written estimate shall include an estimated construction start date and an estimated time of construction. If the prospective customer believes that any part of the estimate is unreasonable, the customer is free to pursue an informal request for assistance from the Commission staff or to file a formal complaint with the Commission. Further, the utility and the customer shall execute a Main Line Extension Agreement. Commission Staff may be consulted to provide assistance and sample forms. The agreement must include as an attachment a copy of this extension rule. The utility shall keep an executed copy of the agreement for at least six (6) years. The length of the extension required shall be that length required to extend from the new proposed service area to the nearest point of connection to the utility system having sufficient excess capacity to provide service at maximum demand.

3. Whenever the utility is required to extend service from an existing main to property that does not immediately abut the utility's right-of-way or the public road that contains the utility main, the extension shall be considered a main extension and the cost responsibility shall be determined under Rule 5.5.e.

4. Where the cost of the extension does not exceed the estimated total net revenue as

calculated below, from prospective customers whose service pipes will immediately be connected directly to the extension and from whom the utility has received applications for service upon forms provided by the utility for this purpose, the utility will install, at its own cost and expense, the necessary extension; provided, that the patronage or demand will be of such permanency as to warrant the capital expenditure involved.

A. Net revenue shall be gross revenue minus the excess usage leak adjustment rate approved for the utility, and with this difference further reduced for any revenue based taxes.

B. Revenue shall be based on 4,500 gallons per month per residential unit, unless circumstances of the applicant show this would result in significant error. For non-residential units, annual revenue shall be based on typical consumption for comparable units published by the American Water Works Association.

C. Estimated total net revenue for private, for profit, utilities will be calculated as six (6) times estimated net annual revenue. Each such utility shall file for a utility-specific line extension multiplier within twelve (12) months of the effective date of these rules.

D. The utility-specific line extension multiplier for private, for profit, utilities shall be based on one (1) divided by the utility's net fixed charge rate. The net fixed charge rate shall equal the total of the utility's weighted cost of capital, applicable income tax rates, and the Commission approved depreciation accrual rate.

E. Estimated total net revenue for associations, municipal, and public service district utilities will be calculated as five (5) times estimated net annual revenue. If the excess leak adjustment calculated for the utility fails to include all of the incremental costs of serving a new customer that should properly be netted out from the total revenues of the utility, the utility may apply to the Commission for a determination of the proper amount to be deducted from gross revenues to arrive at an appropriate determination of net revenue.

5.5.f. Extensions beyond the limit of utility-financed extensions of general sewer service.

1. If the estimated cost of the proposed extension required in order to furnish general sewer service exceeds the utility's estimate of total net revenue as determined by Rule 5.5.e.4., such extension shall be made if the applicant or the applicant's authorized agent contracts for such extension and deposits in advance with the utility the estimated cost of the extension over and above the limit of the utility-funded portion of the extension. The utility shall not pay nor be liable for any interest on such cash deposits. The utility shall make the extension after receiving the cash deposit. The utility shall, for each bona fide new customer who, within a period of ten (10) years from the making of such extension, directly connects to the extension between its original beginning and original terminus refund to the original depositor(s), an amount equal to the estimated total net revenue of the new customer as determined by Rule 5.5.e.4., but in no event shall the aggregate refund made to the depositors exceed the original deposit. Provided, however, that associations, public service districts and municipal sewer utilities may elect to refund the estimated amount over a period of five (5) years making payments no less frequently than every six (6) months.

5.5.g. Alternate Depositor-Financed Extension Plan.

1. Qualifying utilities -- The above requirements notwithstanding, the utility may decline to finance the portion of a requested extension that would be utility-funded, if it can demonstrate that it has no prospect of any reasonable internal or external financing through commercial loans, grants, or through

an installment arrangement with an entity installing the extension or providing the necessary materials.

A. If the utility declines to finance the portion of a requested extension that would be the financial responsibility of the utility, the utility shall file for a waiver of the extension rule within sixty (60) days of the written request.

B. Before filing for a waiver, the utility must first make an estimate of the extension costs.

C. A request for a waiver by a utility shall be accompanied by supporting documentation justifying its request.

D. If the Commission finds that the utility has reasonably declined to finance the portion of the requested extension that would otherwise be utility-funded, the Commission shall authorize the use of the alternate depositor-financed extension plan as described below.

2. Description of alternate depositor-financed extension plan -- Under the alternate depositor-financed extension plan, the utility shall make the extension after:

A. receiving a cash deposit equal to the full amount of the extension cost; and

B. agreeing to give the depositor(s), who is a customer, a monthly bill credit totaling one hundred percent (100%) of the actual net bill(s) from the date service is initiated and until the total credits given equal the estimated total net revenue as defined in Rule 5.5.e.4; and

C. agreeing to refund to the original depositor(s) an amount equal to estimated total net revenue as defined in Rule 5.5.e.4. of each bona fide customer, other than the depositor(s), who, within a period of ten (10) years from the construction of the extension, directly connects to the extension between its original beginning and the original terminus. The refund may be spread out over a five (5) year period with the utility making payments no less frequently than every six (6) months. Such refunds shall continue until the total refunds given equal the estimated total net revenue as defined in Rule 5.5.e.4.

3. In no event shall the total refund made to the depositor(s) under Rule 5.5.g.2.C. exceed the original deposit of the depositor(s).

4. The utility shall not pay nor be liable for any interest on the cash deposits associated with line extensions.

5.5.h. General provisions.

1. Should the actual cost of the extension be less than the estimated cost, the utility will refund the difference as soon as the actual cost has been ascertained, but in no event longer than ninety (90) days after completion of construction of the extension. When the actual cost of the extension exceeds the estimate cost, then the utility will bill the depositor for the difference between the estimated and the actual cost. The customer may pay this additional amount in installments. No interest will be paid by the utility on the applicant's payment or on any balance to be refunded.

2. In estimating the cost of an extension, the estimate shall be based on the diameter of the pipe to be used; provided, that the estimated cost to the customer or customers shall not be based on a pipe diameter greater than the diameter of the main from which the extension is to be made, unless actual use estimated for the proposed customer or customers required a larger pipe.

3. Extensions made under this rule shall be and remain the property of the utility.

4. The utility reserves the right to further extend its sewer mains from and beyond the extension made under this rule, and the depositor or the depositor's agent paying for an extension shall not be entitled to any refund for the attaching of customers to such further extension or branch mains so installed.

5. In determining the length of main extensions or of sewer line to be installed in an urban area when land is subdivided in lots, the main, or sewer line (if installed by an entity other than a utility), shall be extended to fully cover the frontage of the property and if the last lot to be served is a corner lot, the terminal point of the extension made hereunder shall be located so that the sewer line ties in with the intersecting street; and further; provided that if there is no main located in the intersecting street, the terminal point of the extension shall be located at the nearest street line of the intersecting street. In rural areas or open land areas, the extension required will be that length necessary to adequately serve the applicant.

6. Before sewer lines will be laid in any new subdivision, the road surface shall be brought to the established sub-grade as determined by the agency having jurisdiction.

7. This rule shall not be construed as prohibiting the utility from entering into an agreement with a customer that complies with the Commission approved checklist attached hereto as Sewer Form No. 7, in providing an alternate plan for a main extension. Commission Staff may be consulted to provide assistance and sample forms. In providing an alternate plan for main extensions a utility may not discriminate between customers whose service requirements are similar. The agreement shall be filed with and approved by the Commission prior to the implementation or execution of the agreement by any of the parties. The agreement shall include the name, address and phone number of the parties to the agreement. The agreement shall also include a provision explaining why the utility is not funding the extension. The agreement must attach a copy of this Rule 5.5., and a statement signed by the prospective customer that he has reviewed and understands the provisions of Rule 5.5.f. which entitle a customer to refunds and that he knowingly waives such rights, if applicable. Failure to obtain Commission approval will result in the loss of the right to obtain reimbursement from the utility. If an entity other than the utility constructs the extension, upon completion of construction and proper utility inspection of the extension, the utility shall initiate service only after proper transfer of title to all facilities including property, plant and rights-of-way incidental to the furnishing of utility service.

8. Contract for service -- The utility shall not be required to make utility-funded extensions or refunds as described in this rule unless those to be served by such extensions shall guarantee to the utility that they will take the service at their premises within thirty (30) days after service is available or as otherwise mutually agreed in a user's agreement.

9. Construction conditions -- Construction of line extensions, as provided in this rule, will be undertaken promptly after all applications have been completed, necessary right-of-way agreements or rights of entry have been delivered to the utility, and all prospective customers have signed contracts.

10. Right-of-Way.

A. If the construction of an extension involves the acquisition of a private right-of-way, then the prospective customer shall attempt to secure the right-of-way and deliver it to the utility free of cost before construction of the extension is started.

B. If, however, it is not reasonably possible for the prospective customer or customers to secure the right-of-way, and the construction of an extension involves the utility's incurring expense for right-of-way easements, either by purchase or condemnation, such costs shall be added to the total cost of the extension.

C. As a condition to obtaining a main extension, any property owner or developer shall grant the utility the necessary easements which would allow the utility to make future extensions into unserved areas. The granting of the necessary easements shall be made without the utility being required to pay additional consideration for the additional easements to the property owner or developer. If the property owner or developer is unwilling to grant the additional easements, the utility shall not be required to extend its main to serve the property owner or developer.

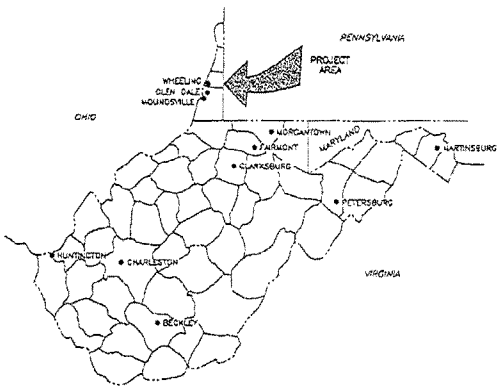
11. Upon the proper filing of a Tariff Rule 42A, 42T, or 19A rate case by the utility, the utility may seek an impact fee to be assessed against customers.

EXHIBIT B – DRAWINGS

OHIO COUNTY PUBLIC SERVICE DISTRICT
Triadelphia, West Virginia

EXHIBIT B
To
Alternate Main Extension & Transfer Agreement
Engineering Plans

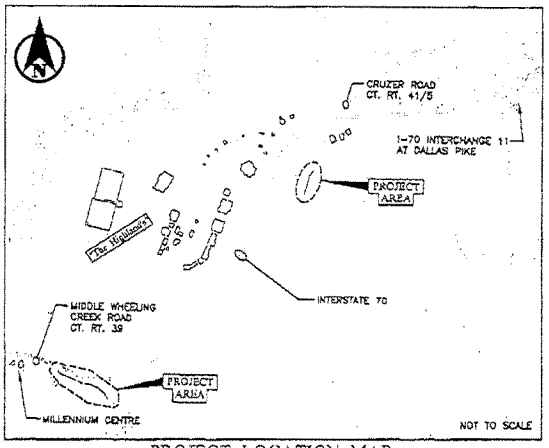
Sewage Force Main Tie-ins



VICINITY MAP

APPROVED: _____ DATE: _____

VAUGHN, COAST & VAUGHN, INC.



PROJECT LOCATION MAP

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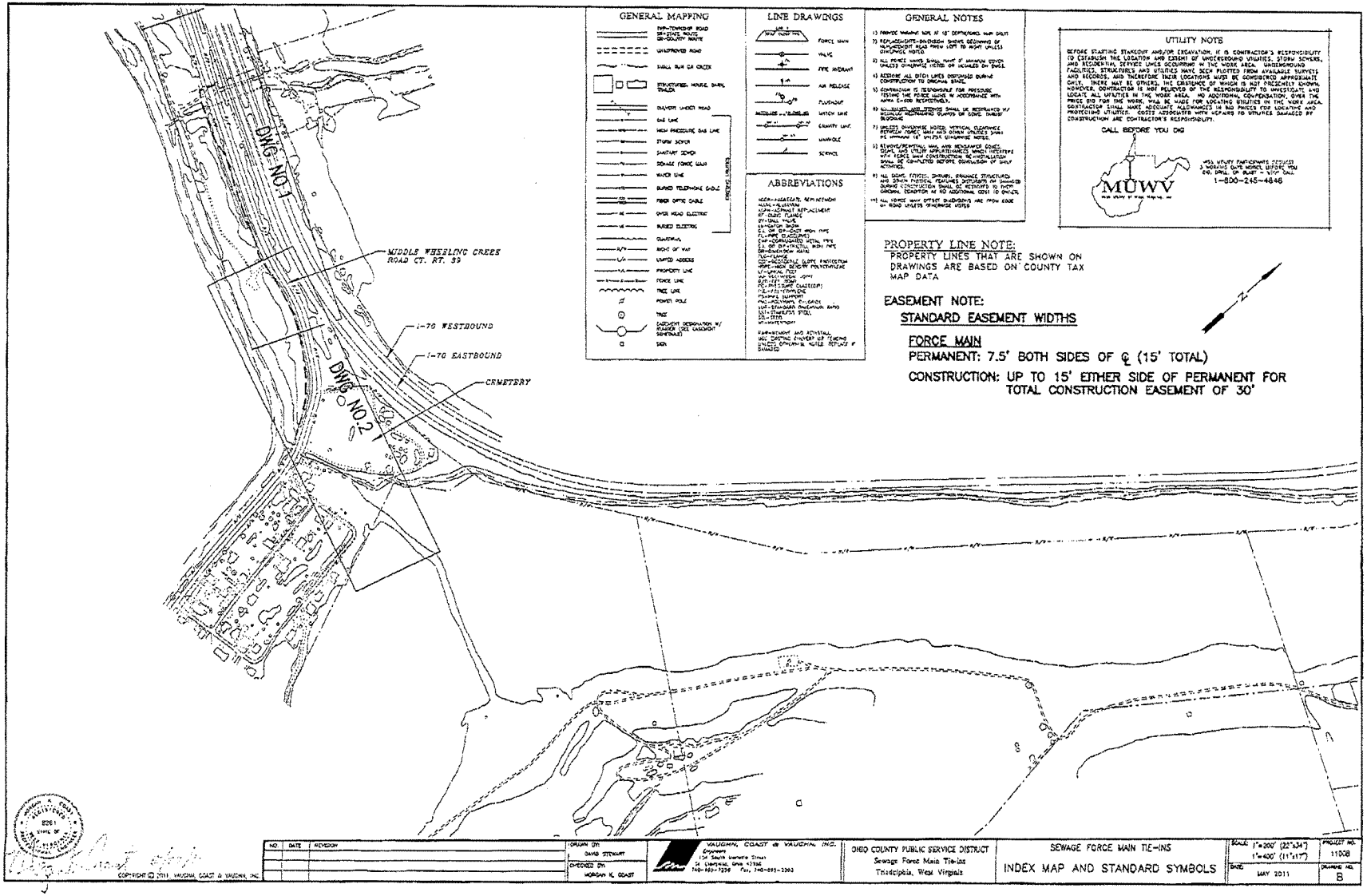
DRAWING NO. A



GENERAL MAPPING

LINE DRAWINGS

ABBREVIATIONS

GENERAL NOTES

UTILITY NOTE

BEFORE STARTING STAKEOUT AND/OR EXCAVATION, IT IS CONTRACTOR'S RESPONSIBILITY TO ESTABLISH THE LOCATION AND EXTENT OF UNDERGROUND UTILITIES. STORM SEWERS, AND RESIDENTIAL SERVICE LINES OCCURRING IN THE WORK AREA. UNDERGROUND FACILITIES, STRUCTURES AND UTILITIES HAVE BEEN PLOTTED FROM AVAILABLE SURVEYS AND RECORDS, AND THEREFORE THEIR LOCATIONS MUST BE CONSIDERED APPROXIMATE ONLY. THERE MAY BE OTHERS, THE EXISTENCE OF WHICH IS NOT PRESENTLY KNOWN. HOWEVER, CONTRACTOR IS NOT RELIEVED OF THE RESPONSIBILITY TO INVESTIGATE AND LOCATE ALL UTILITIES IN THE WORK AREA. NO ADDITIONAL COMPENSATION OVER THE PRICE BID FOR THE WORK, WILL BE MADE FOR LOCATING UTILITIES IN THE WORK AREA. CONTRACTOR SHALL MAKE ADEQUATE ALLOWANCES IN HIS PRICES FOR LOCATING AND PROTECTING UTILITIES. COSTS ASSOCIATED WITH REPAIRS TO UTILITIES DAMAGED BY CONSTRUCTION ARE CONTRACTOR'S RESPONSIBILITY.

CALL BEFORE YOU DIG

MUWV

WEST VIRGINIA 811

WEST VIRGINIA UTILITY PARTICIPANTS RECEIVES 2 WORKING DAYS NOTICE BEFORE YOU DIG. CALL OR DIAL 811 - IT'S FREE CALL 1-800-245-4848

PROPERTY LINE NOTE:
PROPERTY LINES THAT ARE SHOWN ON DRAWINGS ARE BASED ON COUNTY TAX MAP DATA

EASEMENT NOTE:
STANDARD EASEMENT WIDTHS

FORCE MAIN
PERMANENT: 7.5' BOTH SIDES OF ℄ (15' TOTAL)
CONSTRUCTION: UP TO 15' EITHER SIDE OF PERMANENT FOR TOTAL CONSTRUCTION EASEMENT OF 30'

N

NO.	DATE	REVISION

DRAWN BY: DAVID STEWART
CHECKED BY: MORGAN K. COAST

VAUGHN, COAST & VAUGHN, INC.
Engineers
134 South Vernon Street
St. Clairsville, Ohio 43950
740-695-7238 Fax 740-695-2302

OHIO COUNTY PUBLIC SERVICE DISTRICT
Sewage Force Main Tie-Ins
Triadelphia, West Virginia

SEWAGE FORCE MAIN TIE-INS
INDEX MAP AND STANDARD SYMBOLS

SCALE: 1"=200' (22"x34")
1"=400' (11"x17")
DATE: MAY 2011
PROJECT NO. 11008
DRAWING NO. 8

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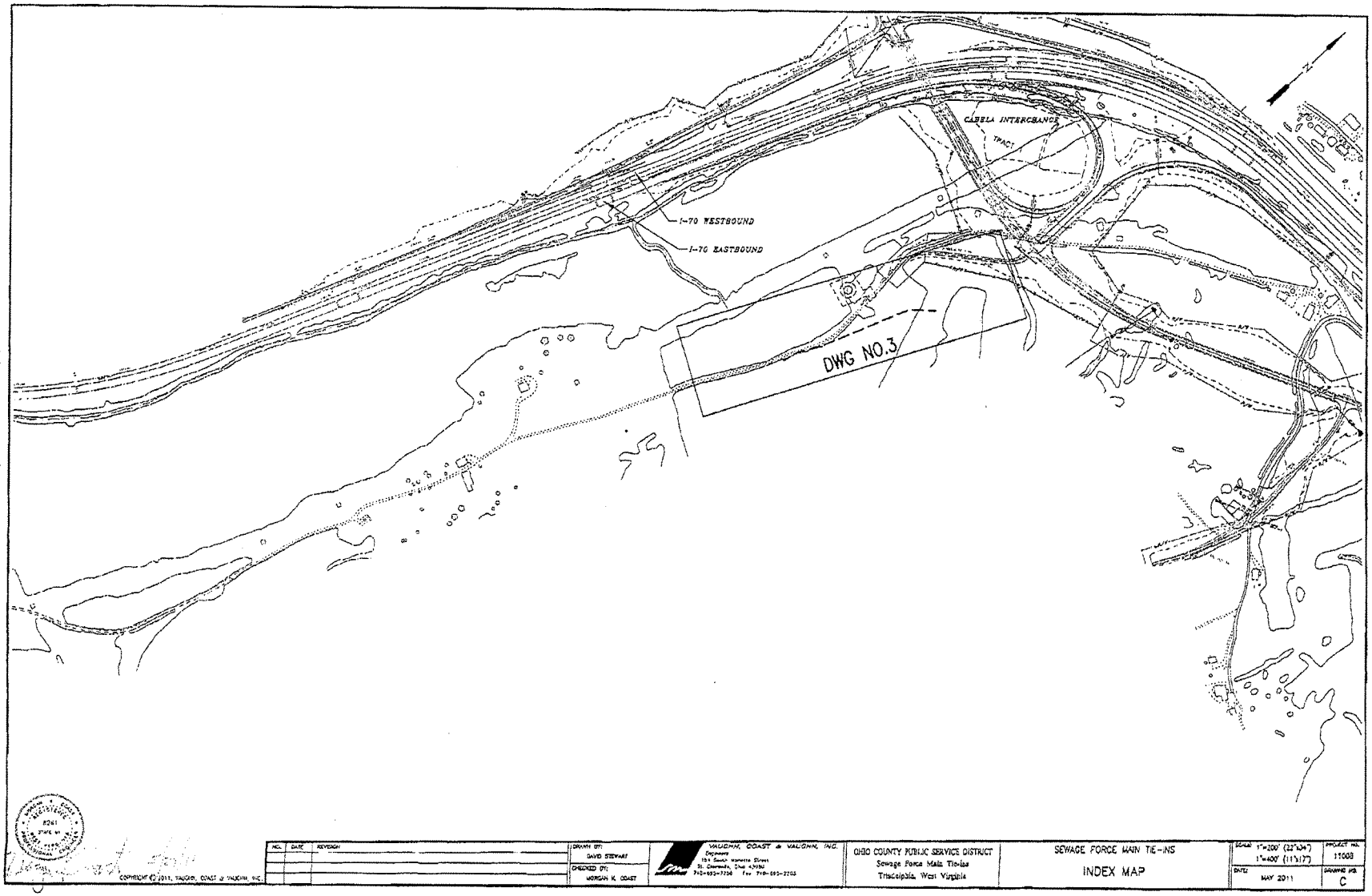

NO.	DATE	REVISION

DRAWN BY: DAVID STEWART
CHECKED BY: MORGAN K. COAST

VAUGHN, COAST & VAUGHN, INC.
Engineers
104 South Wayne Street
St. Clairsville, Ohio 43950
740-695-7250 Fax 740-695-2703

OHIO COUNTY PUBLIC SERVICE DISTRICT
Sewage Force Main Tie-ins
Triadelphia, West Virginia

SEWAGE FORCE MAIN TIE-INS
INDEX MAP

SCALE: 1"=200' (22"x34") 1"=400' (11"x17")
PROJECT NO. 11008
DATE: MAY 2011
DRAWING NO. C

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Stormwater Pollution Prevention Plan (SWPPP)

Groundwater Protection Plan: Contractor shall maintain a Groundwater Protection Plan for Construction Sites available for review on site throughout work of the Project. A generic groundwater protection plan is available on the WVDEP website at http://www.wvdep.org/dwmr/stormwater/construction_docs.htm.

Coordination: The Contractor shall coordinate the installation of temporary erosion and sediment control structures with his proposed cleaning and grubbing operations. NO AREA shall be disturbed without adequate sediment and erosion control devices in place.

Sediment and Erosion Control Structures: Stabilized construction entrances shall be placed at all construction site entrances large enough to permit their use, (including separate borrow sites). Crushed stone entries shall be provided at small sites. Road areas shall be kept clean to prevent the dirt from washing into storm drainage systems and waterways.

Silt fences shall be placed on the downhill side of the site. Where available, existing chain link fence surrounding work area may be incorporated into silt fence installation to provide supplemental support for silt fence fabric. Upstream flows shall be directed around the site with diversions (berm and/or dikes) and sediment traps. Check dams, silt dikes, and/or sediment traps shall be provided to control sediment in concentrated flow channels and roadway ditches. Culverts and catch basins shall be provided with inlet protection (staked silt fence barriers, filter socks, dikes, sediment traps and other devices designed to trap sediment ahead of storm water inlets). All sediment-laden water must pass through an appropriate sediment-trapping device.

Silt fences or other erosion control measures shall be installed between construction areas and any nearby streams. Native vegetative shall be maintained to extent practical along the edge of utility trenches, walking trails, and other linear construction activities, as an additional buffer strip. Where these construction activities pass near drainage ditches or culverts, protect these structures with upstream silt fence or dumped stone check dams in the ditch. Place dumped rock slope protection (rip-rap) of native or imported stone at storm water outlets (outlet protection) and where disturbed stream banks are subject to erosion by the stream.

Sediment and erosion control structures shall be maintained for the duration of the project. Devices shall be inspected prior to each predicted rain event, after each rain event, and at least once each week. Sediment build-up shall be removed when sediment occupies half of the well capacity of the structure, with special attention given after each heavy storm. Torn, rodent or disintegrated materials shall be replaced as needed.

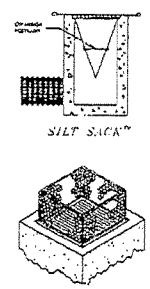
Pumped water from excavations, utility trenches, sediment basin/trap removal and other dewatering operations must be treated before entering a stream or waterway via a device designed to remove sediment from pumped water, such as a Dirtbag® geotextile filtering bag as manufactured by ACF Environmental, or equal.

All sediment and erosion control structures shall be removed after completion of the Project; however, sediment control shall not be removed until the contributing drainage area is stabilized.

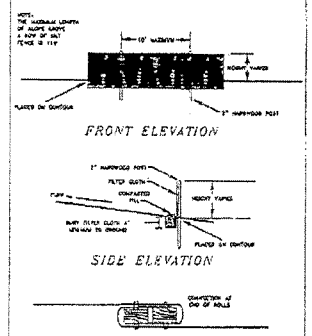
Restoration: To reduce the need for silt fence and other erosion control measures, all work areas shall be compacted, graded, seeded and mulched (or landscaped) as soon as possible after completion of construction to minimize erosion. The contract documents outline the various planting types and application rates for seeding, soil amendments (lime, fertilizer, etc.), and mulches. Any areas which cannot be permanently restored within one (1) week of initial disturbance shall be temporarily mulched and seeded with annual rye grass or other approved mixture. Temporary restoration were to maintain sediment control does not relieve Contractor of the contract requirements for permanent restoration.

Maintenance and Restoration: All erosion and sediment control devices shall be checked at regular intervals, with particular attention after each significant rainfall event. Repair any damaged device immediately. Remove all temporary sediment and erosion control devices when permanent structures are in place and work areas are restored and contributing areas are stabilized.

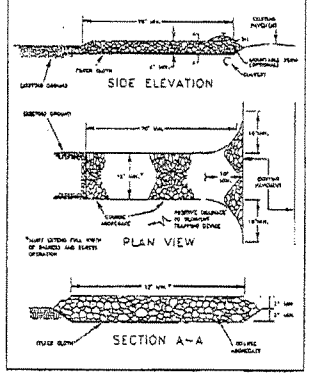
COMMERCIAL INLET PROTECTION



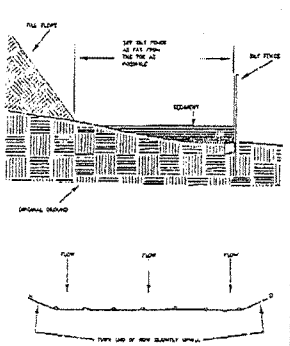
SILT FENCE



STONE CONSTRUCTION ENTRANCE



PLACEMENT OF SILT FENCE

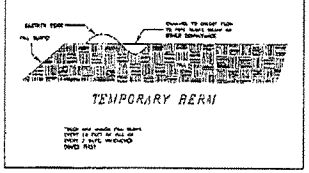


PUBLIC NOTICE SIGN REQUIREMENTS

For Info on NPDES
Stormwater Permit
Call: 800-654-5227

Name of Project,
Project Description

TEMPORARY FILL DIVERSIONS



NO.	DATE	REVISION

DRAWN BY: DAVID STEWART
CHECKED BY: MORGAN K. COAST

VAUGHN, COAST & VAUGHN, INC.
Engineers
134 South Marietta Street
St. Clairsville, Ohio 43950
745-635-7734 Fax 745-635-2292

OHIO COUNTY PUBLIC SERVICE DISTRICT
Sewage Force Main Tie-ins
Triadelphia, West Virginia

SEWAGE FORCE MAIN TIE-INS
STORMWATER POLLUTION PREVENTION DETAILS

SCALE: NONE (22"x34") NONE (11"x17")
DATE: MAY 2011
PROJECT NO. 11008
DRAWING NO. D

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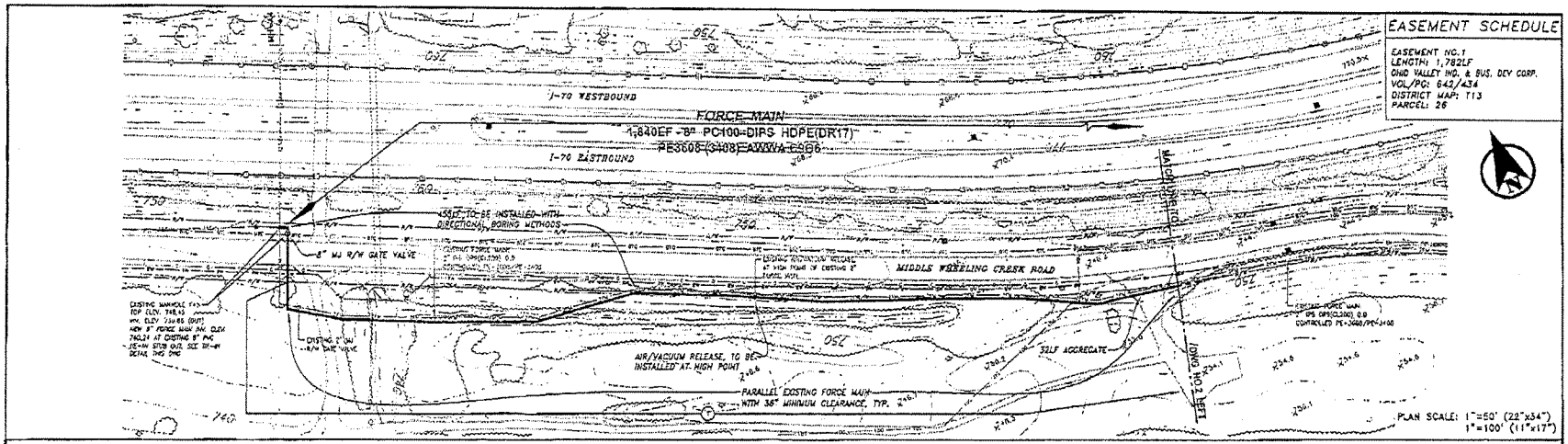
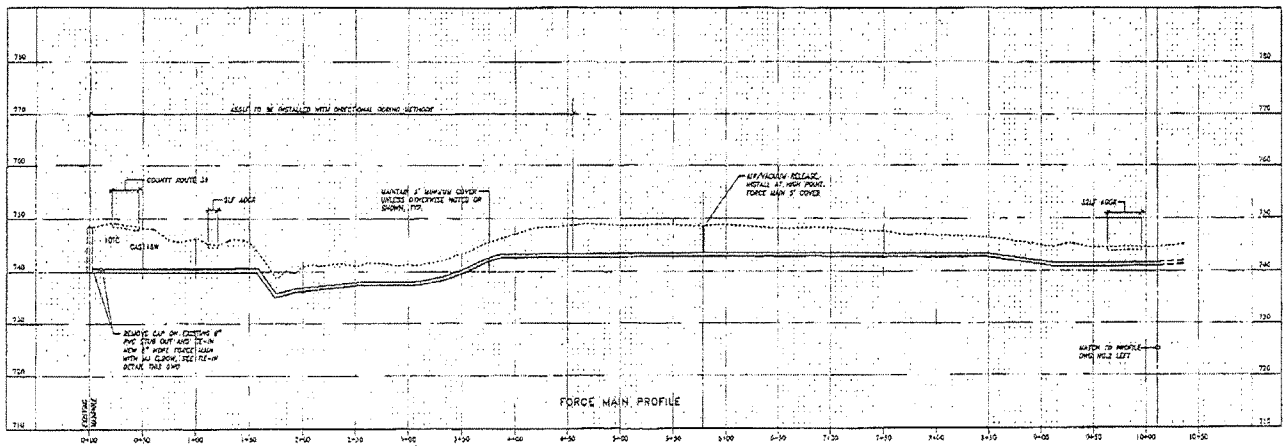
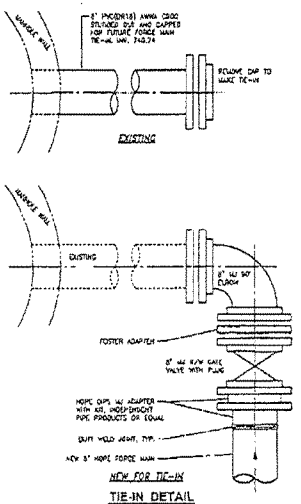


EASEMENT SCHEDULE

EASEMENT NO.1
LENGTH: 1,782LF
OHIO VALLEY IND. & BUS. DEV CORP.
VOL/PG: 642/434
DISTRICT MAP: T13
PARCEL: 26



SURFACE/ITEM — INVERTS
748.45
740.24 FU IN
739.66 OUT



NEW FOR TIE-IN

TIE-IN DETAIL
NO SCALE

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NO.	DATE	REVISION

DRAWN BY: DAVID STEWART
CHECKED BY: MORGAN M. COAST

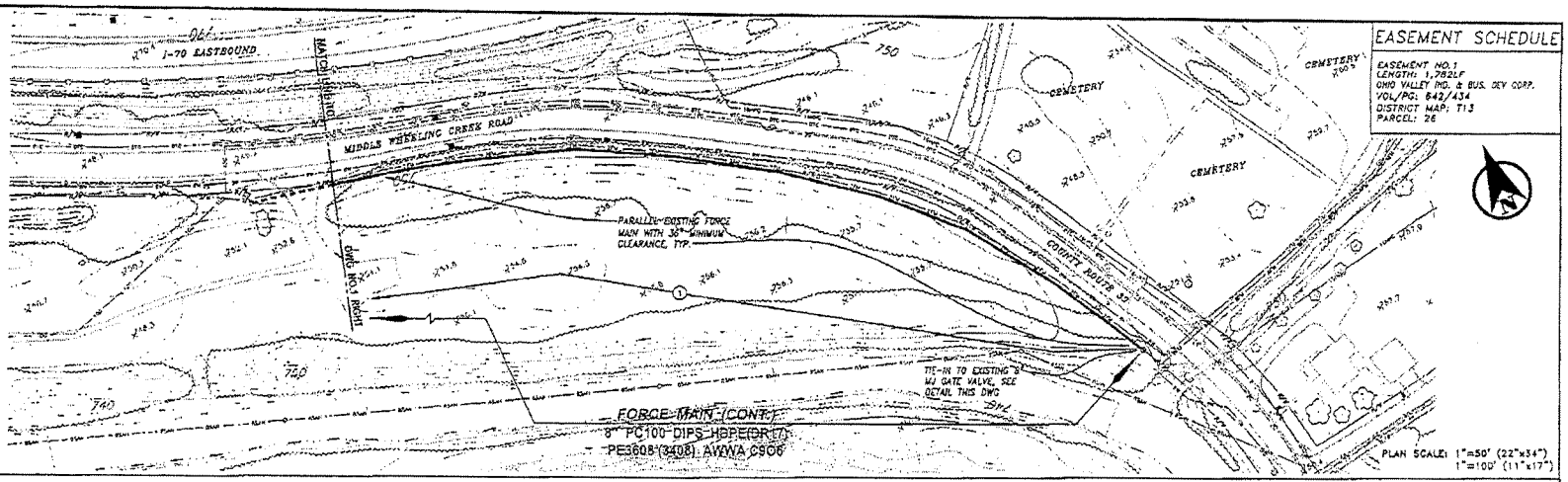
VAUGHN, COAST & VAUGHN, INC.
Engineers
134 South Marietta Street
St. Clairsville, Ohio 43950
740-695-7220 Fax: 740-695-7203

OHIO COUNTY PUBLIC SERVICE DISTRICT
Sewage Force Main Tie-ins
Triadelphia, West Virginia

SEWAGE FORCE MAIN TIE-INS
ALONG MIDDLE WHEELING CREEK ROAD
FORCE MAIN PLAN, PROFILE AND DETAIL

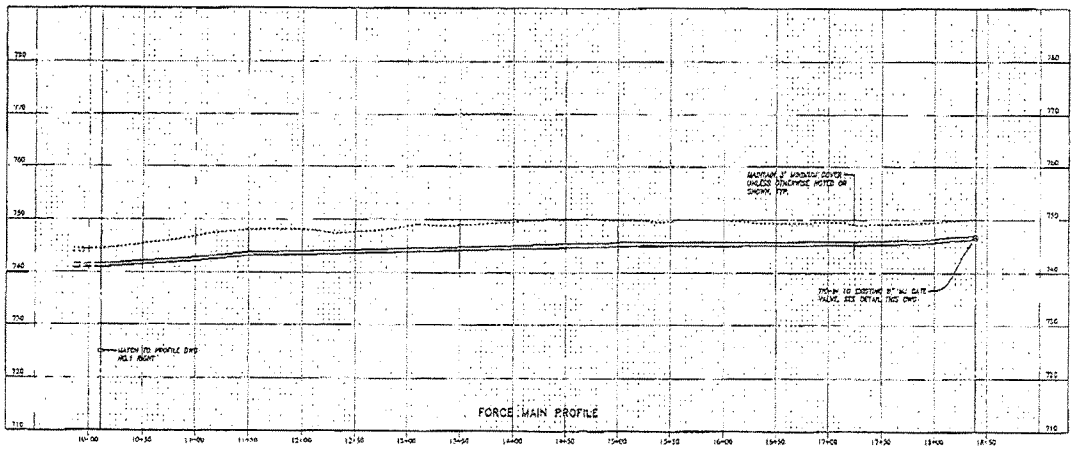
SCALE: 1"=50'H, 1"=10'V (22"x34") 1"=100'H, 1"=20'V (11"x17")
PROJECT NO: 11008
DATE: MAY 2011
DRAWING NO: 1

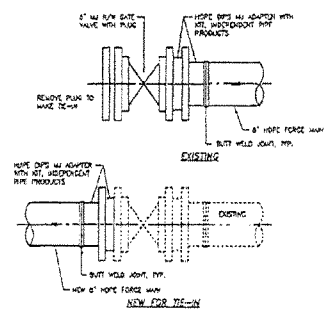
K:\Autocad\Projects\100Ohio_Co_Dist_Aug\2011_HighlandsEngineer\01_Const Drwgs\01_M-FG.dwg, 5/27/2011 8:32:31 AM, HP Designjet T610 44in POND AutoCad pc3, 1:100



EASEMENT SCHEDULE

EASEMENT NO.1
LENGTH: 1,782LF
OHIO VALLEY IND. & BUS. DEV CORP.
VOL/PG: 642/434
DISTRICT MAP: T13
PARCEL: 26





TIE-IN DETAIL
NO SCALE

NO.	DATE	REVISION

DRAWN BY: DAVID STEWART
CHECKED BY: MORGAN R. COAST

VAUGHN, COAST & VAUGHN, INC.
Engineers
150 South Sandusky Street
St. Clairsville, Ohio 43950
740-695-7208 Fax 740-695-7203

OHIO COUNTY PUBLIC SERVICE DISTRICT
Sewage Force Main Tie-ins
Triadelphia, West Virginia

SEWAGE FORCE MAIN TIE-INS
ALONG MIDDLE WHEELING CREEK ROAD
FORCE MAIN PLAN, PROFILE AND DETAIL

SCALE: 1"=50'X, 1"=10'Y (22"x34") 1"=100'X, 1"=20'Y (11"x17")
PROJECT NO. 11008
DATE: MAY 2011
DRAWING NO. 2

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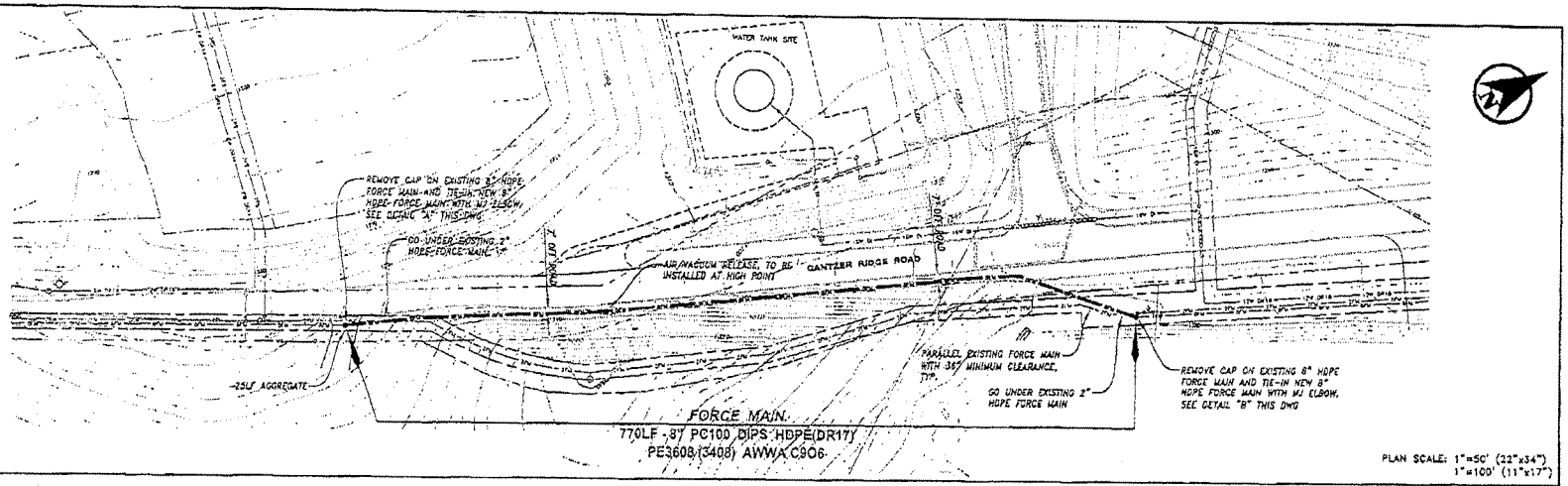
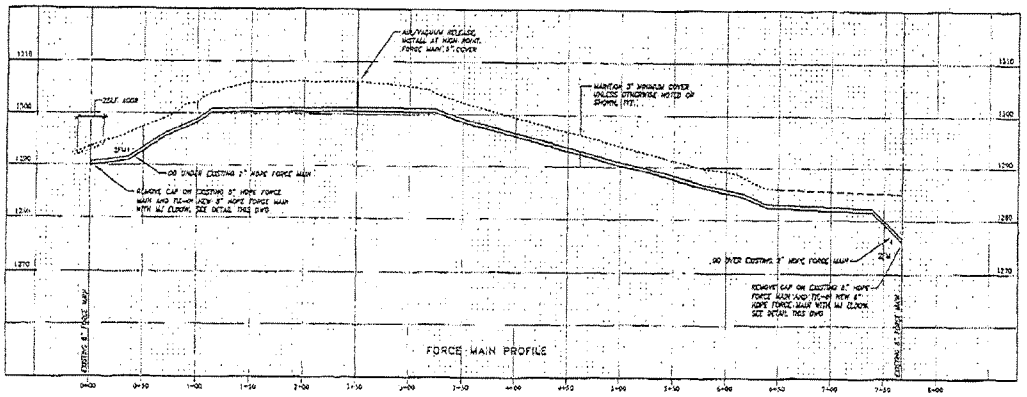
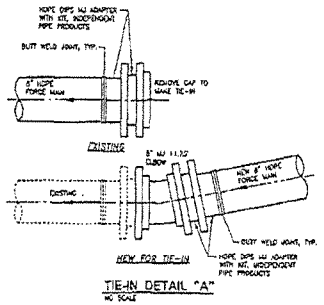


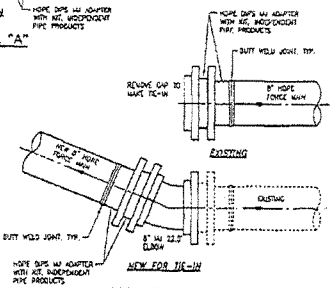
FORCE MAIN:
770LF -8" PC100 DIPS HDPE(DR17)
PE3608(3408) AWWA C906

PLAN SCALE: 1"=50' (22"x34")
1"=100' (11"x17")





TIE-IN DETAIL "A"
NO SCALE



TIE-IN DETAIL "B"
NO SCALE

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NO.	DATE	REVISION

DRAWN BY: DAVID STEWART
CHECKED BY: MORGAN K. COAST

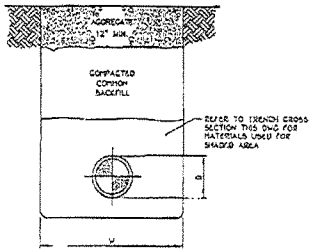
VAUGHN, COAST & VAUGHN, INC.
Engineering
134 North Wenzel Street
St. Clairsville, Ohio 43950
740-695-7295 Fax 740-695-2702

OHIO COUNTY PUBLIC SERVICE DISTRICT
Sewage Force Main Tie-ins
Triadelphia, West Virginia

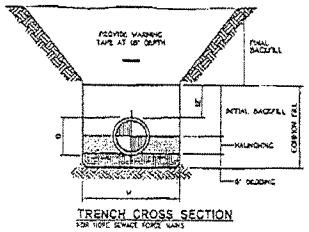
SEWAGE FORCE MAIN TIE-INS
ALONG GANTZER RIDGE ROAD
FORCE MAIN PLAN, PROFILE AND DETAILS

SCALE	PROJECT NO.
1"=50', 1"=10' (22"x34") 1"=100', 1"=20' (11"x17")	11058
DATE: MAY 2011	DRAWING NO. 3

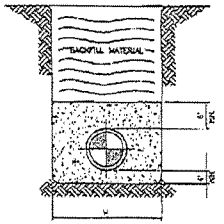
K:\Active\Projects\Ohio_Co_Dev_Auth\2011_Highland\Dwgs\Oh1_Const Dwgs\03_STAGE.dwg, 5/27/2011 9:13:47 AM, HP Designjet 1050 44in HPGL2 AutoCad pc3, 1:100



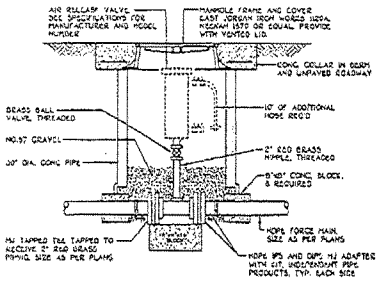
AGGREGATE ROAD REPLACEMENT DETAIL



TRENCH CROSS SECTION
FOR HDPE SEWAGE FORCE MAINS



CONCRETE ENCASEMENT



TYPICAL AIR/VACUUM RELEASE NOTES:

1) MAIN LINE AND VALVE SHALL BE OFFSET FROM CENTER OF CONC. PIPE TO ALLOW ACCESS.
2) TOP OF FORCE MAIN SHALL BE 60" IN AREA OF AIR RELEASE TO PROVIDE SUFFICIENT ROOM FOR VALVE AND TEE IN CONC. PIPE.
3) MAIN LINE AND VALVE SHALL BE OFFSET FROM CENTER OF CONC. PIPE TO ALLOW ACCESS.
4) AIR/VACUUM RELEASE VALVE PIT SHALL NOT BE INSTALLED IN DITCH LINE.

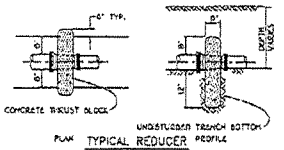
FORCE MAIN AIR / VACUUM RELEASE
FOR HDPE PIPE

THRUST BLOCK NOTES

1) KILL CONCRETE CLEAR OF JOINT AND ACCESSORIES
2) CONCRETE THRUST BLOCKING SHALL BE POURED AGAINST UNDISTURBED EARTH.
3) REQUIRED BEARING AREAS AT FITTINGS SHALL BE AS INDICATED BELOW, ADJUSTED, IF NECESSARY, TO CONFORM TO THE TEST PRESSURE(S) AND ALLOWABLE SOIL BEARING STRESS(ES) STATED IN THE SPECIFICATIONS.
4) BEARING AREAS FOR HORIZONTAL BEND THRUST BLOCKS ARE BASED ON TEST PRESSURE OF 100 PSIG AND AN ALLOWABLE SOIL BEARING STRESS OF 1000 LBS/SQ. FT. TO COMPUTE BEARING AREAS FOR DIFFERENT TEST PRESSURES AND SOIL BEARING STRESSES, USE THE FOLLOWING EQUATION: BEARING = (TEST PRESS./100) x (1000/SOIL BEARING STRESS) x (TABLE VALUE).
5) THRUST BLOCKS FOR VERTICAL BENDS HAVING DOWNWARD RESULTANT THRUSTS SHALL BE THE SAME AS FOR HORIZONTAL BENDS.
6) BEARING AREAS, VOLUMES, AND SPECIAL BLOCKING DETAILS SHOWN ON PLANS TAKE PRECEDENCE OVER THIS STANDARD.
7) BEARING AREA OF THRUST BLOCK SHALL NOT BE LESS THAN 1.0 SQ. FT.

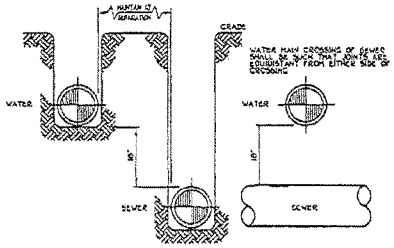
BEARING AREA OF THRUST BLOCKS IN SQ. FT. (HORIZONTAL BENDS, 100 PSI PRESSURE)

FITTING SIZE	TEE, WYE, PLUG, OR CAP	90° BEND, PLUGGED CROSS	BEND ANGLE		
			45°	22-1/2°	11-1/4°
2", 4", 6"	3.8	5.3	2.9	1.5	1
8"	6.5	9.1	4.9	2.5	1.3
12"	13.7	19.4	10.5	5.3	2.7
16"	23.8	33.0	14.0	7.2	3.6
18"	29.9	42.3	22.9	11.7	5.5



NOTES:
1) PROVIDE SUBSTANTIAL THRUST BLOCKING ON ALL FITTINGS.
2) KEEP ALL FLANGES AND BOLTS CLEAN OF CONCRETE.
3) USE THIS DETAIL FOR BOTH WATER AND SEWAGE FORCE MAINS.

THRUST BLOCK DETAILS



SEWER AND WATER LINE RELATIONSHIP

NOMINAL PIPE DIAMETER	MINIMUM DIMENSIONS		CONCRETE ENCASEMENT (QUAN. FT PER FT OF TRENCH)
	TRENCHES W	PAVING W	
3" OR LESS	1'-6"	3'-6"	1.68
4" & 6"	1'-0"	3'-6"	1.88
8"	1'-6"	3'-6"	1.90
8"	2'-0"	4'-0"	2.05
10"	2'-6"	4'-6"	2.24
12"	2'-7"	4'-7"	2.44
15" AND 16"	3'-0"	5'-0"	2.70
18"	3'-3"	5'-3"	6.84
20"	3'-10"	5'-10"	7.41

TABLE OF VALUES FOR PAVEMENT CUTS, TRENCH EXCAVATIONS & BEDDING

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NO.	DATE	REVISION

DRAWN BY: DAVID STEWART
CHECKED BY: MORGAN R. COAST

VAUGHN, COAST & VAUGHN, INC.
Engineers
154 South Marietta Street
St. Clairsville, Ohio 43950
740-695-7296 Fax 740-695-2900

OHIO COUNTY PUBLIC SERVICE DISTRICT
Sewage Force Main Tie-ins
Triadelphia, West Virginia

SEWAGE FORCE MAIN TIE-INS
STANDARD DETAILS

SCALE: NONE (22"x34") / NONE (11"x17")
DATE: MAY 2011
PROJECT NO.: 11008
DRAWING NO.: 4

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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 16, 2013**

Re: **Ohio County Public Service District,**
Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program)

DISBURSEMENTS TO THE OHIO COUNTY PUBLIC SERVICE DISTRICT

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2013 A Bonds Proceeds
Amount:	$327,508
Form:	Wire
Payee:	Ohio County Public Service District 5383 National Road, Triadelphia, West Virginia 26059
ABA #:	043400036
Account #:	0112021369
Bank:	WesBanco Bank 2207 National Road, Wheeling, WV 26003
Contact:	Sandy Thames 304.243.7500
Account:	Series 2013 A Bonds Construction Trust Fund

670150.00002

OHIO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION OF THE OHIO COUNTY PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO SERVICES FOR THE SEWER SYSTEM IMPROVEMENT PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Ohio County Public Service District, has reviewed the invoices attached in relation to the Project funded by the West Virginia SRF Program (SRF) 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 Ohio County Public Service District by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	SRF
Steptoe & Johnson	15,000.00	15,00.00
Huntington Bank	500.00	500.00
Vaughn Coast & Vaughn, Inc.	138,450.00	138,450.00
Ohio County PSD (Dinsmore & Shohl Legal Reimbursement)	20,423.61	20,423.61
Belomar	25,246.77	25,246.77
Ohio County PSD	2,886.85	2,886.85
Quadrant 11, LLC	125,000.00	125,000.00
Total	327,507.23	327,507.23
Round to	327,508.00	327,508.00

ADOPTED BY the Ohio County Public Service District on the 30th day of April, 2013

By: _____
Its: Chairman

SRF PAYMENT REQUISITION FORM

Rev 04/07/09

1. LOAN RECIPIENT/VENDOR:

NAME: Ohio County Public Service District

ADDRESS: P.O. Box 216

Triadelphia, W WV 26059

FEIN: 55-0478910

DUNS: 049651656

2. SRF #: C-54 4479-1

3. INVOICE NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) 2/1/2012

TO: (MO/DAY/YR) 3/31/2013

5. % PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY SRF
1) CONSTRUCTION	$ 1,002,931				
2) EQUIPMENT	$ 46,869				
3) ENGINEERING					
a. Planning	$ 15,000		$ 15,000	$ 15,000	15,000
b. Design	$ 114,550		$ 114,550	$ 114,550	114,550
c. Const Basic	$ 29,450		$ 8,900	$ 8,900	8,900
d. Spec Services	$ 35,000				
e. Inspection	$ 87,000				
4) LEGAL	$ 25,000		$ 20,424	$ 20,424	20,424
5) MISCELANEOUS	$ 13,554		$ 2,887	$ 2,887	2,887
6) ADMINISTRATIVE	$ 45,000		$ 25,247	$ 25,247	25,247
7) CONTINGENCY	$ 50,146				
8) Dev'l Fee (Quadrant 11)	$ 125,000		$ 125,000	$ 125,000	125,000
9) Registrar Fee	$ 500		$ 500	$ 500	500
10) CLOSING COSTS	$ 15,000		$ 15,000	$ 15,000	15,000
11) SUBTOTAL	$ 1,605,000	$ -	$ 327,508	$ 327,508	327,508
12) LESS PREVIOUSLY PAID				$ -	-0-
13) INVOICE AMOUNT				$ 327,508	327,508

14) Robert R. Luchetti 4/30/13

AUTHORIZED SIGNATURE DATE

Robert R. Luchetti, Chairman

TYPED OR PRINTED NAME AND TITLE

15) A.C. Wiethe 4/30/13

PERSON PREPARING FORM SIGNATURE DATE

A.C. Wiethe, Project Administrator

TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY:

WV DEPARTMENT OF ENVIRONMENTAL PROTECTION

John Rogers 5/6/13

PROJECT REVIEWER DATE

R Bowden 5/6/13

AUTHORIZED OFFICER DATE

RF - 91

The items listed hereon conform to specification, were recevied and are approved for payment.

Date: 5/2/13 Signed: John Rogers

Commit #	SA PO#	PO#	SWC NAME
C392650			(1347701)
		OE#	SCO#

Class #	Lease #	FEIN/SSN	OFF APP
		550478910	Date MSF 05/07/2013
		FIMS Vendor # 37784	

	FUND	FY	ORG	ACT	OBJ CODE	GRANT #	PROJECT #	AMOUNT
T	3329		9455	099	128			
PF	3329		9457	099	128			
T	3329		9455	099	083			
PF	3329		9457	099	083			
R	3329	13	9455	099	083-S		13142	327,508
R	3329		9457	099	083-S			

T - Traditional CWSRF: split 128/083 (83.3%/16.7%)
PF - Principal forgiveness: split 128/083 (83.3%/16.7%)
R - Repayment

WVDEP
MAY 01 2013
CWSRF

State of West Virginia

WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

Date 5/15/13 Time 1:10 LGA Ohio County PSD Program CWSRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Sheila Miller	WDA	304-414-6500	304-414-0865	smiller@wvwda.org
Sammie Lore	Jacksakelly.com	304 340 1318	304 340 1298	slore@jacksakelly.com
Rose Brodersen	WV DEP	304 926 0499 x1608	304 926 0496	Rosalie.m.brodersen@wv.gov
John Stump	Steptoe + Johnson PLLC	304.353.8196	304.353.8181	john.stump@steptoe-johnson.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Robert Luchetti, Chairman Telephone 304.547.5133 E-Mail N/A

Address 5383 National Road, Windsor Heights, WV 26059

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

SWEEP RESOLUTION

WHEREAS, Ohio County Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, PURSUANT TO Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic transfer by the State Treasurer form the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) 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 30th day of April, 2013.

Chairman

Secretary

WEST VIRGINIA
Water Development Authority
Celebrating 37 Years of Service 1974 - 2013

May 16, 2013

Ohio County Public Service District
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon a certificate of Glatz & Obecny, PLLC, independent certified public accountants, and an opinion of Steptoe & Johnson PLLC, as bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the present holder of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program) (the "Series 2013 A Bonds"), in the principal amount of $1,605,000, by Ohio County Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2013 A Bonds on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's: (i) Sewer Revenue Bonds, Series 1986 A (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $100,320 (the "Series 1986 A Bonds"); (ii) Sewer Revenue Bonds, Series 1988 A (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $694,925 (the "Series 1988 A Bonds"); (iii) Sewer Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $1,013,841 (the "Series 1989 A Bonds"); and (iv) Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 15, 1997, issued in the original aggregate principal amount of $1,081,000 (the "Series 1997 A Bonds"); and senior and prior to the Issuer's: (i) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 16, 1986, issued in the original aggregate principal amount of $49,961 (the "Series 1986 B Bonds"); (ii) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated September 30, 1988, issued in the original aggregate principal amount of $173,731 (the "Series 1988 B Bonds"); and (iii) Sewer Revenue Bonds, Series 1989 B (West Virginia Water Development Authority), dated April 3, 1989, issued in the original aggregate principal amount of $150,288 (the "Series 1989 B Bonds") (hereinafter collectively, the "Prior Bonds").

Sheila A. Miller
Authorized Representative

670150.00002

1009 Bullitt Street, Charleston, WV 25301
Phone (304) 414-6500 / fax (304) 414-0865
www.wvwda.org

OHIO COUNTY PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 1986 A AND SERIES 1986 B
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES RESOLUTION

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05/12/86
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OHIO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1986 A, NOT MORE THAN $100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1986 B, AND NOT MORE THAN $2,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF OHIO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any orders or resolutions supplemental hereto, the "Bond Legislation") is enacted 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. Ohio County Public Service District (the "Issuer") is a public service district and public corporation of the State of West Virginia in Ohio County of said State.

B. The Issuer does not presently operate a public sewage collection or treatment system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain sewage collection and transportation facilities of the Issuer (the "Project") which constitute properties for the collection of liquid or solid wastes, sewage or industrial wastes (the Project, and any additions thereto or extensions thereof is herein called the "System") at an estimated cost of $3,169,026, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Secretary of the Issuer.

C. The estimated revenues to be derived in each year after the enactment hereof 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 (as hereinafter defined) and all Sinking Fund, Reserve Account and other payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $300,000 in two series, being the Series 1986 A Bonds in the aggregate principal amount of not more than $200,000 and the Series 1986 B Bonds in the aggregate principal amount of not more than $100,000 (collectively, the "Bonds"), and contemporaneously therewith, or as soon as practicable thereafter, to issue its sewerage system grant anticipation notes, or a note or notes evidencing a line of credit, or both (collectively, the "Notes") in the aggregate principal amount of not more than $2,000,000 to temporarily finance costs of construction and acquisition 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 upon the Notes and the Bonds prior to and during construction or acquisition and for 6 months after completion of construction of the Project; engineering, and legal expenses; expenses for estimates of cost 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, 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 Notes and such other expenses as may be necessary or incident 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, including, with respect to the Notes, any commitment fees to the Credit Bank, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Original Bonds (as hereinafter defined) be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") heretofore entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority.

G. There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bonds as to lien and source of and security for payment. The Series 1986 B Bonds shall be junior and subordinate to the Series 1986 A Bonds, as set forth herein.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity and approval of this financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds and the Notes 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 such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds and Notes, respectively, 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 and between any one Note and any other Note, 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 adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original 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 Governing Body of the Issuer or any temporary Chairman duly appointed by the Governing Body.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

"Bonds" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

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

"Consulting Engineers" means Cerrone & Vaughn, Inc., Wheeling, 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(D) hereof to be a part of the cost of construction and acquisition of the Project.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

"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, consisting of 3 members, 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 EPA Grant or any of the Other Grants, 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 Grant is to be paid to the Issuer; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant after the date of issuance of the Notes; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

"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, and for the furnishing by the Issuer of miscellaneous service.

"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.

"Indenture" or "Trust Indenture" means the Trust Indenture which may be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"Issuer" means Ohio County Public Service District, in Ohio County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement heretofore entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized by, this Resolution or a resolution adopted by the Issuer prior to the adoption of this Resolution.

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

"Noteholder," "Holder of the Notes" or any similar term means the person, whenever used herein with respect to an outstanding Note or Notes, in whose name such Note is registered.

"Notes" or "GAN" means collectively, the not more than $2,000,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, originally authorized hereby, or the not more than $2,000,000 in aggregate principal amount of a note or notes evidencing a line of credit originally authorized hereby, and unless the context clearly indicates otherwise, the terms "Notes" or "GAN" includes any refunding Notes or GAN of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which may be established by Section 4.02 of the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by Section 4.01 of the Indenture.

"Notes Registrar" means the bank to be designated as such in the Indenture or the Supplemental Resolution and its successors and assigns.

"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 Registrar, Paying Agent and the Trustee (all as hereinafter 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 or Notes, 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.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $200,000 in aggregate principal amount of Series 1986 A Bonds and not more than $100,000 in aggregate principal amount of Series 1986 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted hereby and authorized by the Bond Legislation.

"Original Notes Purchaser" means, in the event grant anticipation notes are issued, Young Moore & Company, Inc., of Charleston, West Virginia, or such other original purchaser of the Notes as shall be named in a resolution supplemental hereto, and, in the event a note or notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" means collectively, the WDA Grant, together with any other grant hereafter received by the Issuer to aid in financing any Costs.

"Outstanding," when used with reference to Bonds or Notes and as of any particular date, describes all Bonds theretofore and thereupon being delivered or all Notes theretofore and thereupon being authenticated and delivered except (i) any Bond or Note cancelled by the Bond Registrar, or Notes Registrar, at or prior to said date; (ii) any Bond or Note for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be in trust hereunder or under the Indenture, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond or Note deemed to have been paid as provided in Article X hereof or Article VIII of the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, any Bonds or Notes 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 bank or banks or other entity designated as such for the Bonds and/or the Notes in the Indenture or in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition and construction of a sewage collection and transportation system, lift stations and force mains and all necessary appurtenances.

"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 Investment Agreement which may be entered into by and between the Trustee and the bank designated as "Investment Bank" in the Supplemental Resolution; and

(i) 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 described in paragraphs (a) through (g), above.

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

"Registrar" means as appropriate, either the Bond Registrar or the Notes Registrar or both.

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

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

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

"Series 1986 A Bonds" or "Series A Bonds" means the not more than $200,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1986 A, of the Issuer.

"Series 1986 A Bonds Reserve Account" means the Series 1986 A Bonds Reserve Account established in the Series 1986 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1986 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 1986 A Bonds in the then current or any succeeding Fiscal Year.

"Series 1986 A Bonds Sinking Fund" means the Series 1986 A Sinking Fund established by Section 5.02 hereof.

"Series 1986 B Bonds" or "Series B Bonds" means the not more than $100,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1986 B, of the Issuer.

"Series 1986 B Bonds Reserve Account" means the Series 1986 B Bonds Reserve Account established in the Series 1986 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1986 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1986 B Bonds in the then current or any succeeding Fiscal Year.

"Series 1986 B Bonds Sinking Fund" means the Series 1986 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolutions authorizing the sale of the Notes or the Original Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Notes or the Original 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 and the Reserve Account, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means the complete properties of the Issuer for the collection, transportion and treatment of liquid or solid wastes, sewage or industrial wastes, in its entirety or any integral part thereof, and shall include the Project and any further additions, betterments and improvements thereto hereafter constructed or acquired for said system from any sources whatsoever.

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

"WDA Grant" means the grant from the West Virginia Water Development Authority pursuant to the commitment therefor.

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 $3,169,026, 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 Notes and the Bonds hereby authorized shall be applied as provided in Article IV of the Indenture, if any, and Article VI hereof, respectively.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purpose of paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $300,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1986 A," in the aggregate principal amount of not more than $200,000, and "Sewer Revenue Bonds, Series 1986 B," in the aggregate principal amount of $100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Notes, if any. The proceeds of the Bonds (excluding accrued interest) remaining after capitalization of interest, if any, and payment of the costs of issuance thereof and related costs shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall bear interest at such rate or rates, not exceeding 12% per annum, or such other rate as shall then be the legal maximum, payable semiannually 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. The Bonds shall be payable as to principal at the office of the Commission, through a Paying Agent or Paying Agents selected by the original purchaser or purchasers thereof, 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 Bonds shall be paid by check or draft 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 Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a payment record attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered 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, in the denomination of $5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. The registered Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any 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 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 forms set forth in Section 3.09 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 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 any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial

Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain outstanding, the Issuer, through 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 cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days 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.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In any case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same,

upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Series 1986 B Bonds to be Junior and Subordinate to Series 1986 A Bonds. The payment of the debt service of all the Series 1986 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1986 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1986 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Fund and the Reserve Account therein hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Series 1986 A Bonds and the Series 1986 B Bonds, respectively, 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:

[Form of Series 1986 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1986 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation of the State of West Virginia in Ohio 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 West Virginia Water Development Authority or registered assigns (the "Payee") the sum of _____ ($_____), 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 rate on each installment shall run from the original date of delivery of this Bond to the Payee 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, 1986. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft mailed to the registered owner hereof at the address as it appears on the books of Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Payee is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of, and upon the terms and conditions prescribed by, the West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportation facilities of the Issuer (the "Project") and (ii) to

pay certain costs of issuance hereof and related costs. 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 and Supplemental Resolution, both duly adopted by the Issuer on the 15th day of May, 1986 (collectively called 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 contemporaneously with the Sewer Revenue Bonds, Series 1986 B, of the Issuer (the "Series 1986 B Bonds") issued in the aggregate principal amount of $_____, which Series 1986 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this series (the "Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1986 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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 1986 A Bonds Reserve Account and unexpended Bond proceeds. 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 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 amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds, provided however, that so long as there exists in the Series 1986 A Bonds Reserve Account and the reserve account established for the Series 1986 B Bonds or any other obligations outstanding prior to or on a parity with the Bonds or Series 1986 B Bonds, sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds, the Series 1986 B Bonds, and any other such prior or parity

obligations in any succeeding fiscal year, 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.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Payee 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 Bond Legislation or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder 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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed hereon and attested by its Secretary, and has caused this Bond to be dated May 16, 1986.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1986 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

KANAWHA VALLEY BANK, N.A.,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

TABLE II

OHIO COUNTY PUBLIC SERVICE DISTRICT
Analysis of 7.00% Borrowing Cost for Local Issuer

	1985 Series A Bonds			
Period Ending 10/1	Coupon	Principal	Interest	Debt Service
1986	9.75%	0.00	3,667.95	3,667.95
1987	9.75%	266.00	9,781.20	10,047.20
1988	9.75%	293.00	9,755.27	10,048.27
1989	9.75%	321.00	9,726.70	10,047.70
1990	9.75%	353.00	9,695.40	10,048.40
1991	9.75%	387.00	9,660.98	10,047.98
1992	9.75%	425.00	9,623.25	10,048.25
1993	9.75%	466.00	9,581.81	10,047.81
1994	9.75%	512.00	9,536.38	10,048.38
1995	9.75%	562.00	9,486.46	10,048.46
1996	9.75%	617.00	9,431.66	10,048.66
1997	9.75%	677.00	9,371.51	10,048.51
1998	9.75%	743.00	9,305.50	10,048.50
1999	9.75%	815.00	9,233.06	10,048.06
2000	9.75%	894.00	9,153.59	10,047.59
2001	9.75%	982.00	9,066.43	10,048.43
2002	9.75%	1,077.00	8,970.68	10,047.68
2003	9.75%	1,182.00	8,865.68	10,047.68
2004	9.75%	1,298.00	8,750.43	10,048.43
2005	9.75%	1,424.00	8,623.88	10,047.88
2006	9.75%	1,563.00	8,485.04	10,048.04
2007	9.75%	1,716.00	8,332.64	10,048.64
2008	9.75%	1,883.00	8,165.33	10,048.33
2009	9.75%	2,066.00	7,981.74	10,047.74
2010	9.75%	2,263.00	7,780.31	10,043.31
2011	9.75%	2,489.00	7,559.18	10,048.18
2012	9.75%	2,732.00	7,316.50	10,048.50
2013	9.75%	2,998.00	7,050.13	10,048.13
2014	9.75%	3,290.00	6,757.82	10,047.82
2015	9.75%	3,611.00	6,437.05	10,048.05
2016	9.75%	3,963.00	6,084.98	10,047.98
2017	9.75%	4,350.00	5,693.58	10,043.58
2018	9.75%	4,774.00	5,274.46	10,048.46
2019	9.75%	5,239.00	4,808.99	10,047.99
2020	9.75%	5,750.00	4,298.19	10,048.19
2021	9.75%	6,310.00	3,737.57	10,047.57
2022	9.75%	6,926.00	3,122.34	10,048.34
2023	9.75%	7,601.00	2,447.06	10,048.06
2024	9.75%	8,342.00	1,705.96	10,047.96
2025	9.75%	9,155.00	892.61	10,047.61
		100,320.00	295,219.30	395,534.30

[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 1986 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1986 B

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation of the State of West Virginia in Ohio 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 West Virginia Water Development Authority or registered assigns (the "Payee") the sum of _____ ($_____), in annual 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, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part of any time, but only with the express written consent of, and upon the terms and conditions prescribed by, the West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportation facilities of the Issuer (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. 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 and Supplemental Resolution, both duly adopted by the Issuer on the 15th day of May, 1986 (collectively called 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 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 after there has first been paid from said Net Revenues all payments then due and owing on the Series 1986 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1986 B Bonds Reserve Account"), and unexpended proceeds of the Bonds of this Series (the "Bonds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1986 B Bonds Reserve Account and unexpended Bond proceeds. 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 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 amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on the Bonds, the 1986 Series A Bonds, and all other obligations secured by or payable from such revenues prior to or on a parity with the 1986 Series A Bonds and on a parity with the Bonds, provided however, that so long as there exists in the Series 1986 B Bonds Reserve Account and the reserve account established for the Series A Bonds, sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds and the 1986 Series B Bonds in any succeeding fiscal year, and any reserve account for any such prior or parity obligations is funded at least at 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.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar (the "Registrar") by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the

Payee or its attorney duly authorized in writing.

Subject to the registration requirements as 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 Bond Legislation or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of the Bonds, which lien is subordinate to the lien in favor of the holders of the Series 1986 A Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, OF THE ISSUER, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1986 A BONDS").

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed hereon and attested by its Secretary, and has caused this Bond to be dated May 16, 1986.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1986 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

KANAWHA VALLEY BANK, N.A.,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A
SCHEDULE OF ANNUAL DEBT SERVICE
TABLE III

OHIO COUNTY PUBLIC SERVICE DISTRICT
Analysis of 7.00% Borrowing Cost for Local Issuer

Period Ending 10/1	Zero Coupon Bonds
1986	0.00
1987	1,281.10
1988	1,281.05
1989	1,281.05
1990	1,281.05
1991	1,281.05
1992	1,281.05
1993	1,281.05
1994	1,281.05
1995	1,281.05
1996	1,281.05
1997	1,281.05
1998	1,281.05
1999	1,281.05
2000	1,281.05
2001	1,281.05
2002	1,281.05
2003	1,281.05
2004	1,281.05
2005	1,281.05
2006	1,281.05
2007	1,281.05
2008	1,281.05
2009	1,281.05
2010	1,281.05
2011	1,281.05
2012	1,281.05
2013	1,281.05
2014	1,281.05
2015	1,281.05
2016	1,281.05
2017	1,281.05
2018	1,281.05
2019	1,281.05
2020	1,281.05
2021	1,281.05
2022	1,281.05
2023	1,281.05
2024	1,281.05
2025	1,281.05
	49,961.00

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.10. Sale of Original Bonds; Execution of Loan Agreement with Authority. The Original 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 B" 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.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer may issue and sell its Notes in the aggregate principal amount of not to exceed $2,000,000. The Notes may be in the form of grant anticipation notes or as evidence of a line of credit from a commercial bank, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or supplemental resolution.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, with such terms and secured in the manner set forth in the Indenture, if used (which Indenture in substantially the form to be executed and delivered by the Issuer is attached hereto as "Exhibit A" and made a part hereof), or supplemental resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the respective sources described in the Indenture or supplemental resolution. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture.

Section 4.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $500,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit

shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. 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:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

(1) Series 1986 A Bonds Sinking Fund;

(a) Within the Series 1986 A Bonds Sinking Fund, the Series 1986 A Bonds Reserve Account.

(2) Series 1986 B Bonds Sinking Fund;

(a) Within the Series 1986 B Bonds Sinking Fund the Series 1986 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1986 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1986 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1986 A Bonds on the next ensuing

semiannual interest payment date, less any moneys transferred from the Series 1986 A Bonds Reserve Account for the purpose of making interest payments and investment earnings on sums previously deposited in the Series 1986 A Bonds Sinking Fund for the purpose of making interest payments on the Series 1986 A Bonds; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1986 A Bonds 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.

(3) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1986 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1986 A Bonds on the next ensuing principal payment date, less any moneys transferred from the Series 1986 A Bonds Reserve Account for the purpose of making principal payments and investment earnings on sums previously deposited in the Series 1986 A Bonds Sinking Fund for the purpose of making principal payments on the Series 1986 A Bonds; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1986 A Bonds 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 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1986 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1986 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 1986 A Bonds Reserve Requirement.

(5) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month,

commencing with the month succeeding the first full calendar month after commencement of operation of the System, 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 1986 A Reserve Account in the Series 1986 A Sinking Fund. 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, emergency repairs, improvements or extensions to the System; provided, that any deficiency in the Series 1986 A Bonds 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 by Subsection 5.03(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1986 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1986 B Bonds on the next ensuing principal payment date, less any moneys transferred from the Series 1986 B Bonds Reserve Account for the purpose of making principal payments and investment earnings on sums previously deposited in the Series 1986 B Bonds Sinking Fund for the purpose of making principal payments on the Series 1986 B Bonds.

(7) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1986 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1986 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1986 B Bonds Reserve Requirement.

Moneys in the Series 1986 A Bonds Sinking Fund and the Series 1986 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in the Series 1986 A Bonds Reserve Account and the Series 1986 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1986 A Bonds Reserve Account and the Series 1986 B Bonds Reserve Account shall be transferred, not less than once each year, to the respective Sinking Fund and applied in full to the next ensuing principal payment due on the respective Series of Bonds.

Any withdrawals from the Series 1986 A Bonds Reserve Account which result in a reduction in the balance of the Series 1986 A Bonds Reserve Account to below the Series 1986 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1986 A Bonds Sinking Fund for payment of debt service on the Bonds have been made in full.

Any withdrawals from the Series 1986 B Bonds Reserve Account which result in a reduction in the balance of the Series 1986 B Bonds Reserve Account to below the Series 1986 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1986 A and Series 1986 B Bonds Sinking Funds and the Renewal and Replacement Fund have been made in full.

As and when additional Bonds ranking on a parity with the Series 1986 B Bonds are issued, provision shall be made for additional payments into the Series B 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 Series B Reserve Account in an amount equal to the maximum provided and required to be paid into the Series B Sinking Fund in any Fiscal Year for account of all the Series 1986 B Bonds, including such additional Series 1986 B 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 1986 A Bonds Sinking Fund or the Series 1986 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in both said Sinking Funds and said Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Sinking Funds 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective 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 there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Accounts 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. Surplus Revenues may be used for any lawful purpose of the Issuer, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund, as defined in the Indenture.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Paying Agent or the Depository Bank, on such dates

as the Commission, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Depository Bank's charges and the Paying Agent fees then due.

D. 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.

E. 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.

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

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 Bond Construction Trust Fund, and following completion of the Project shall be deposited in the Revenue Fund and may be used for any lawful purpose.

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. Any accrued interest received from the sale shall be deposited in the appropriate Sinking Fund and applied to the first interest payment due on the applicable Series of Bonds.

B. The amount of the proceeds which together with the proceeds deposited pursuant to Subsection (A) of this section and together with the earnings thereon, shall be at least sufficient to pay interest, if any, on the applicable Series of Bonds for the period specified in the Supplemental Resolution shall be deposited in the appropriate Sinking Fund; provided, that such period may not extend beyond the date which is 6 months after the estimated date of completion of construction of the Project.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank (which shall also be the Trustee) in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation and Indenture (if any). Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Bonds. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Bond Construction Trust Fund, except for the costs of issuance thereof 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 Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust 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 Bond Construction Trust 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 Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in qualified investments at the direction of the Issuer.

Whenever the Depository Bank shall have received notice that any Grant has been suspended, terminated or annulled, or a stop-work order has been issued, the Depository Bank shall not make further disbursements from the Bond Construction Trust Fund until it shall have received notice of the lifting of such suspension or stop-work order. Notwithstanding the foregoing provisions of this paragraph, if the Grant which has been suspended, terminated or annulled is a Grant other than the EPA Grant or the WDA Grant, and the Issuer files with the Depository Bank a certificate of the Consulting Engineers reciting the conclusion and demonstrating that the Project can be completed without such Other Grant, the Depository Bank shall continue to make disbursements from the Bond Construction Trust Fund.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series A Bonds Reserve Account.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

Until the payment in full of the principal of and interest on the Notes when due, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture; provided, that Section 7.04 and Section 7.09 shall not be applied to the Notes.

Section 7.02. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes 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 or Notes, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1986 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System and payment of the debt service of the Series 1986 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1986 A Bonds, to the extent necessary to make the payments required under Section 5.03 of this Resolution. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all

other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided therein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. 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 in the Order of the Public Service Commission of West Virginia entered April 10, 1986 (Case No. 85-472-S-CN).

Section 7.05. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and Notes, if any, Outstanding, or to effectively defease this Resolution in accordance with Section 10.01 hereof and, if entered into and not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, 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 at maturity of and interest on the Bonds about to mature. Any balance remaining after the payment of all the Bonds and interest 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. With respect to the Notes, such proceeds in an amount sufficient to pay the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Indenture, prior thereto.

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 Commission for deposit in the 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, shall be deposited in the Revenue Fund. Such payment of such proceeds into the 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 the Bonds then Outstanding without the prior approval and consent in writing of 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 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. The Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or supplemental resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1986 B Bonds only may be issued as provided for in Section 7.07 hereof. 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 both the Series 1986 A Bonds and the Series 1986 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts 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 interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

No Parity Bonds shall be issued which shall be payable out of the revenues of the System prior to or on a parity with the Series 1986 A Bonds. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1986 B Bonds.

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:

(A) The Bonds then Outstanding;

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

(C) 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 enacted 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 Recorder 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 enacted 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. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond 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 both the Series 1986 A Bonds and the Series 1986 B Bonds 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 either the Series 1986 A Bonds or the Series 1986 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.

B. Notwithstanding the foregoing, or any provision of Section 7.06 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 on the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Series 1986 A.

Section 7.08. 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 any Holder of a Bond or Bonds or of a Note or Notes issued pursuant to this Bond Legislation or the Trustee 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 Consulting Engineers, the Trustee and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, 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 Indenture with respect to said Bonds or Notes, as the case may be, 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 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 or Notes, as the case may be, and shall file said report with the Trustee and the Authority, or any other original purchaser of the Bonds.

Section 7.09. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will 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 said 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. The Issuer shall take the necessary actions with respect to the imposition of rates at such times and with such provisions with respect to interest rate and maturity of the Bonds to finance the issuance of the Bonds as the purchasers thereof shall require. 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 (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amounts equal to or in excess of the Reserve Requirements are on deposit in the Reserve Accounts or reserve accounts for bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 7.10. 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 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 funding 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 mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, 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 Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

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 7.11. 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 7.12. 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 of the Issuer, 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 and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent 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 and facilities and any services and facilities of the water system, if then owned by the Issuer, to all delinquent users of services and facilities of the System and will not restore such services of the water system until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

Section 7.13. 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 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds or the Notes 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:

(A) 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 during construction of the Project in the full insurable value thereof.

(B) 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 $100,000 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.

(C) 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.

B. 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.

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 7.17. Statutory Mortgage Lien. For the further protection of the Holders of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Bonds and shall be for the equal benefit of all Holders of each respective series of Bonds, provided however, that the statutory mortgage lien

in favor of the Holders of the Series 1986 A Bonds shall be senior to the statutory mortgage lien in favor of the Holders of the Series 1986 B Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

Except as provided in the Indenture, if any, 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. The Commission, the Trustee, if any, 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 Trustee, if any, 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.

Section 8.02. Restrictions as to Arbitrage Bonds. The Issuer hereby covenants, and hereby so instructs the Bond Commission and the Trustee that they shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, (or any successor provision) and an Authorized Officer shall deliver his certificate, based upon this covenant, with regard thereto to the purchaser of the Original Bonds.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Notes; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; or

(C) 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.

B. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Bond Legislation, any supplemental resolution, the Indenture 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Bonds; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note or Bond, as the case may be, 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 Notes or Bonds, as the case may be, (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 Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1986 B Bonds shall be subject to those of the Holders of the Series 1986 A Bonds.

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

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

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

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1986 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1986 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1986 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1986 A 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 Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1986 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1986 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1986 A Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1986 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any

trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1986 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1986 B Bonds, the principal 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 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1986 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1986 B 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 Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1986 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1986 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1986 B Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1986 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to the Notes only, this Bond Legislation, the Indenture and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. 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 Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Notes or Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes 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 or Notes respectively, required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds and Notes, 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, the Indenture, if any, the Bonds or the Notes, if any.

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. Amendments to Maintain Tax Exemption. The Issuer hereby covenants to make any amendment or supplements to this Resolution and to the Indenture authorized hereby to enable the Notes or Bonds to be issued in such form as to render the interest thereon exempt from federal income taxation, and to preserve such tax exemption until the maturity or redemption thereof without further consent of the Holders of the Bonds or the Notes.

Section 11.06. 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.

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 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 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. Public Notice of Proposed Financing. Prior to adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation within the boundaries of Ohio County Public Service District, a Class II legal advertisement stating:

(a) The respective maximum amounts of the Bonds and Notes to be issued;

(b) The respective maximum interest rates and terms of the Bonds and the Notes originally authorized hereby;

(c) The Project to be acquired or constructed and the cost of the same;

(d) The anticipated rates which will be charged by the Issuer; and

(e) The fact that a form is available in the office of the Clerk of The County Commission of Ohio County and in the office of the Issuer for residents of that portion of the District which will be served by the Project who are registered voters to sign indicating their opposition to the Issuer's borrowing money or issuing the Bonds or the Notes originally authorized hereby, as the case may be. The Secretary of the Governing Body shall cause such form to be provided to said county clerk.

The Secretary of the Governing Body shall have also caused to be posted in conspicuous places throughout that portion of Ohio County Public Service District which will be served by the Project signs measuring not less than 8 1/2 inches in width and 11 inches in length which include the same information as required in the Class II legal advertisement set forth above.

Section 11.09. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 15th day of May, 1986.

Chairman, Public Service Board

Member, Public Service Board

Member, Public Service Board

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of Ohio County Public Service District on this 15th day of May, 1986.

[SEAL]

Secretary, Public Service Board

05/16/86
OHPSD2-A

"EXHIBIT A"

"EXHIBIT B"

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1986 A and Series 1986 B

SUPPLEMENTAL BOND RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1986 A AND SERIES 1986 B, OF OHIO COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO 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 OHIO COUNTY PUBLIC SERVICE DISTRICT (the "Issuer") has duly and officially adopted a resolution, effective May 15, 1986 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1986 A, NOT MORE THAN $100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1986 B, AND NOT MORE THAN $2,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR BOTH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount of not to exceed $300,000, to be issued in two series, the Series 1986 A Bonds to be in an aggregate principal amount of not more than $200,000 (the "Series 1986 A Bonds") and the Series 1986 B Bonds to be in an aggregate principal amount of not more than $100,000 (the "Series 1986 B Bonds"), and has authorized the execution and delivery of a Loan Agreement relating to the Series A Bonds and a Supplemental Loan Agreement relating to the Series B Bonds (sometimes collectively referred to herein as the "Loan Agreement"), both dated April 22, 1986, by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with West Virginia Code, 1931, as amended, Chapter 16, Article 13A (the "Act"); and in the Bond Resolution, it is provided that the maturity dates, 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 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 bond resolution (the "Supplemental Bond Resolution") be adopted and that the Loan Agreement be entered into by the Issuer, that the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates 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 OHIO COUNTY PUBLIC SERVICE DISTRICT:

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

(A) The Sewer Revenue Bonds, Series 1986 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $100,320. The Series 1986 A Bonds shall be dated the date of delivery thereof, shall mature October 1, 2025, shall bear interest at the rate of 9.75% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable

October 1, 1986, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1986 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $49,961. The Series 1986 B Bonds shall be dated the date of delivery thereof, shall mature October 1, 2025, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and upon payment of the redemption premium, if any, provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Supplemental Loan Agreement and incorporated therein by reference.

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

Section 3. The Issuer does hereby ratify its approval and acceptance of the Loan Agreement and the Supplemental Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Chairman of the Loan Agreement and the Supplemental Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby ratified and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate Kanawha Valley Bank, N.A., Charleston, West Virginia, as Registrar for the Bonds and does approve and accept the Registrar's Agreement dated as of May 16, 1986, by and between the Issuer and Kanawha Valley Bank, N.A., in substantially the form attached hereto, and the execution and delivery by the Chairman of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for the Bonds.

Section 6. Capitalized interest on the Series 1986 A Bonds shall be payable from proceeds of the Series A Bonds in the amount of $ 12,091, which amount shall be sufficient to pay interest on the Series 1986 A Bonds to and including August 1, 1987.

Section 7. The Issuer does hereby appoint The First National Bank & Trust Company of Wheeling, Wheeling, West Virginia, as Depository Bank under the Bond Resolution.

Section 8. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents 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 on or about May 16, 1986, to the Authority pursuant to the Loan Agreement.

Section 9. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 10. This Supplemental Bond Resolution shall be effective immediately following adoption hereof.

Adopted this 15th day of May, 1986.

OHIO COUNTY PUBLIC SERVICE DISTRICT

James C. Boyd Jr.
Chairman

Secretary

05/13/86
OHPSD1-F

(SPECIMEN BOND - SERIES 1986 A)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1986 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation of the State of West Virginia in Ohio 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 West Virginia Water Development Authority or registered assigns (the "Payee") the sum of _____ ($_____), 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 rate on each installment shall run from the original date of delivery of this Bond to the Payee 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, 1986. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft mailed to the registered owner hereof at the address as it appears on the books of Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Payee is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of, and upon the terms and conditions prescribed by, the West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportation facilities of the Issuer (the "Project") and (ii) to

pay certain costs of issuance hereof and related costs. 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 and Supplemental Resolution, both duly adopted by the Issuer on the 15th day of May, 1986 (collectively called 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 contemporaneously with the Sewer Revenue Bonds, Series 1986 B, of the Issuer (the "Series 1986 B Bonds") issued in the aggregate principal amount of $_____, which Series 1986 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this series (the "Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1986 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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 1986 A Bonds Reserve Account and unexpended Bond proceeds. 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 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 amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds, provided however, that so long as there exists in the Series 1986 A Bonds Reserve Account and the reserve account established for the Series 1986 B Bonds or any other obligations outstanding prior to or on a parity with the Bonds or Series 1986 B Bonds, sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds, the Series 1986 B Bonds, and any other such prior or parity

obligations in any succeeding fiscal year, 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.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Payee 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 Bond Legislation or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder 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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed hereon and attested by its Secretary, and has caused this Bond to be dated May 16, 1986.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1986 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

KANAWHA VALLEY BANK, N.A.,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

TABLE II

OHIO COUNTY PUBLIC SERVICE DISTRICT
Analysis of 7.00% Borrowing Cost for Local Issuer

Period Ending 10/1	1985 Series A Bonds			
	Coupon	Principal	Interest	Debt Service
1986	9.75%	0.00	3,667.95	3,667.95
1987	9.75%	266.00	9,781.20	10,047.20
1988	9.75%	293.00	9,755.27	10,048.27
1989	9.75%	321.00	9,726.70	10,047.70
1990	9.75%	353.00	9,695.40	10,048.40
1991	9.75%	387.00	9,660.98	10,047.98
1992	9.75%	425.00	9,623.25	10,048.25
1993	9.75%	466.00	9,581.81	10,047.81
1994	9.75%	512.00	9,536.38	10,048.38
1995	9.75%	562.00	9,486.46	10,048.46
1996	9.75%	617.00	9,431.66	10,048.66
1997	9.75%	677.00	9,371.51	10,048.51
1998	9.75%	743.00	9,305.50	10,048.50
1999	9.75%	815.00	9,233.06	10,048.06
2000	9.75%	894.00	9,153.59	10,047.59
2001	9.75%	982.00	9,066.43	10,048.43
2002	9.75%	1,077.00	8,970.68	10,047.68
2003	9.75%	1,182.00	8,865.68	10,047.68
2004	9.75%	1,298.00	8,750.43	10,048.43
2005	9.75%	1,424.00	8,623.88	10,047.88
2006	9.75%	1,563.00	8,485.04	10,048.04
2007	9.75%	1,716.00	8,332.64	10,048.64
2008	9.75%	1,883.00	8,165.33	10,048.33
2009	9.75%	2,066.00	7,981.74	10,047.74
2010	9.75%	2,263.00	7,780.31	10,043.31
2011	9.75%	2,489.00	7,559.18	10,048.18
2012	9.75%	2,732.00	7,316.50	10,048.50
2013	9.75%	2,998.00	7,050.13	10,048.13
2014	9.75%	3,290.00	6,757.82	10,047.82
2015	9.75%	3,611.00	6,437.05	10,048.05
2016	9.75%	3,963.00	6,084.98	10,047.98
2017	9.75%	4,350.00	5,693.58	10,043.58
2018	9.75%	4,774.00	5,274.46	10,048.46
2019	9.75%	5,239.00	4,808.99	10,047.99
2020	9.75%	5,750.00	4,298.19	10,048.19
2021	9.75%	6,310.00	3,737.57	10,047.57
2022	9.75%	6,926.00	3,122.34	10,048.34
2023	9.75%	7,601.00	2,447.06	10,048.06
2024	9.75%	8,342.00	1,705.96	10,047.96
2025	9.75%	9,155.00	892.61	10,047.61
		100,320.00	295,219.30	395,534.30

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:

_____

05/20/86
OHPSD4-A

(SPECIMEN BOND - SERIES B)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1986 B

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation of the State of West Virginia in Ohio 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 West Virginia Water Development Authority or registered assigns (the "Payee") the sum of _____ ($_____), in annual 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, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part of any time, but only with the express written consent of, and upon the terms and conditions prescribed by, the West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportation facilities of the Issuer (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. 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 and Supplemental Resolution, both duly adopted by the Issuer on the 15th day of May, 1986 (collectively called 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 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 after there has first been paid from said Net Revenues all payments then due and owing on the Series 1986 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1986 B Bonds Reserve Account"), and unexpended proceeds of the Bonds of this Series (the "Bonds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1986 B Bonds Reserve Account and unexpended Bond proceeds. 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 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 amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on the Bonds, the 1986 Series A Bonds, and all other obligations secured by or payable from such revenues prior to or on a parity with the 1986 Series A Bonds and on a parity with the Bonds, provided however, that so long as there exists in the Series 1986 B Bonds Reserve Account and the reserve account established for the Series A Bonds, sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds and the 1986 Series B Bonds in any succeeding fiscal year, and any reserve account for any such prior or parity obligations is funded at least at 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.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar (the "Registrar") by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the

Payee or its attorney duly authorized in writing.

Subject to the registration requirements as 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 Bond Legislation or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of the Bonds, which lien is subordinate to the lien in favor of the holders of the Series 1986 A Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, OF THE ISSUER, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1986 A BONDS").

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed hereon and attested by its Secretary, and has caused this Bond to be dated May 16, 1986.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1986 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

KANAWHA VALLEY BANK, N.A.,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

TABLE III

OHIO COUNTY PUBLIC SERVICE DISTRICT
Analysis of 7.00% Borrowing Cost for Local Issuer

Period Ending 10/1	Zero Coupon Bonds
1986	0.00
1987	1,281.10
1988	1,281.05
1989	1,281.05
1990	1,281.05
1991	1,281.05
1992	1,281.05
1993	1,281.05
1994	1,281.05
1995	1,281.05
1996	1,281.05
1997	1,281.05
1998	1,281.05
1999	1,281.05
2000	1,281.05
2001	1,281.05
2002	1,281.05
2003	1,281.05
2004	1,281.05
2005	1,281.05
2006	1,281.05
2007	1,281.05
2008	1,281.05
2009	1,281.05
2010	1,281.05
2011	1,281.05
2012	1,281.05
2013	1,281.05
2014	1,281.05
2015	1,281.05
2016	1,281.05
2017	1,281.05
2018	1,281.05
2019	1,281.05
2020	1,281.05
2021	1,281.05
2022	1,281.05
2023	1,281.05
2024	1,281.05
2025	1,281.05
	49,961.00

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:

_____

05/20/86
OHPSD4-B

OHIO COUNTY PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 1988 A, B, C and D
and
BOND ANTICIPATION NOTES, SERIES 1988

BOND AND NOTES RESOLUTION

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09/29/88
OCPII2-B

OHIO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 A, NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 B, NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 C, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 D, NOT MORE THAN $2,000,000 OF BOND ANTICIPATION NOTES, SERIES 1988, AND NOT MORE THAN $5,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS, BOND ANTICIPATION NOTES AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE, IF APPLICABLE, SECURING THE NOTES; APPROVING AND AUTHORIZING LOAN AGREEMENTS AND SUPPLEMENTAL LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH SERIES 1988 A BONDS, SERIES 1988 B BONDS, BOND ANTICIPATION NOTES AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF OHIO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A 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. Ohio County Public Service District (the "Issuer") is a public service district and political subdivision of the State of West Virginia in Ohio County of said State.

B. The Issuer owns and operates a public sewage treatment, collection and transportation system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements for such existing sewerage facilities of the Issuer consisting of collector and interceptor lines to serve approximately 730 homes in the Short Creek Watershed area and all appurtenant facilities and constituting the "Phase IIB" project described in the Order of the Public Service Commission of West Virginia(the "Project") (the existing sewerage facilities, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $7,624,652, 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 Prior Bonds, the Bonds and the BAN, and all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Prior Resolution, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to authorize the issuance of its Sewer Revenue Bonds in the total aggregate principal amount of not more than $4,500,000 in four series, being the Series 1988 A Bonds in the aggregate principal amount of not more than $1,000,000, the Series 1988 B Bonds in the aggregate principal amount of not more than $500,000, the Series 1988 C Bonds in the aggregate principal amount of not more than $2,000,000, the Series 1988 D Bonds in the aggregate principal amount of not more than $1,000,000 (collectively, the "Original Bonds"), the Sewerage System Bond Anticipation Notes, Series 1988 (the "BAN") in the aggregate principal amount of not more than $2,000,000, and its

sewerage system grant anticipation notes, or a note or notes evidencing a line of credit, or any combination of the foregoing (collectively, the "Notes") in the aggregate principal amount of not more than $5,000,000 to temporarily finance costs of construction and acquisition 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 upon the Notes during the term thereof and upon the Original Bonds and BAN prior to and during construction or acquisition and for not more than 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Original Bonds, BAN and Notes 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, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Original Bonds, BAN or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 1988 A Bonds and Series 1988 B Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") both dated September 30, 1988, entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, and attached hereto as "Exhibit A," and made a part hereof; and that its Series 1988 C Bonds and Series 1988 D Bonds be sold to the Authority pursuant to the terms and provisions of a second loan agreement and supplemental loan agreement (collectively, the "Second Loan Agreement") hereby approved, and, pending the sale of such Series 1988 C and Series 1988 D Bonds, that the BAN be issued and sold to the Authority.

G. There are outstanding obligations of the Issuer which will rank prior to or on parity with the Bonds and the BAN as to lien and source of and security for payment as follows:

(i) Sewer Revenue Bonds, Series 1986 A, dated May 16, 1986, issued in the original aggregate principal amount of $100,320, of which $100,054 remains outstanding as of the date of adoption of this Resolution (the "Series 1986 A Bonds"); and

(ii) Sewer Revenue Bonds, Series 1986 B, dated May 16, 1986, issued in the original aggregate principal amount of $49,961, of which $48,680 remains Outstanding as of the date of enactment of this Ordinance (the "Series 1986 B Bonds).

The Series 1986 B Bonds are junior and subordinate to the Series 1986 A Bonds. The Series 1986 A Bonds and the Series 1986 B Bonds are herein collectively called the "Prior Bonds." The Series 1986 A Bonds, Series 1988 A Bonds and Series 1988 C Bonds are herein collectively called the "First Lien Bonds" and shall be on parity with each other. The Series 1986 B Bonds, Series 1988 B Bonds and Series 1988 D Bonds are herein collectively called the "Subordinate Bonds" and shall be junior and subordinate to the First Lien Bonds, and on parity with each other. The BAN shall be junior and subordinate to the First Lien Bonds, and shall be on a parity with the Subordinate Bonds.

The BAN shall be payable from proceeds of the Series 1988 C Bonds and Series 1988 D Bonds or, if the Series 1988 C and Series 1988 D Bonds are not issued, from the Net Revenues. The Notes shall not be payable from the Net Revenues, but shall be payable from the Grant Receipts, Surplus Revenues and proceeds of a letter of credit, if any, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, the BAN and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, which has been appealed to the West Virginia Supreme Court of Appeals, and which appeal has been dismissed thereby.

I. The Issuer has received (or will receive prior to issuance of the Bonds) the written consent of the Authority to issuance of the Series 1988 A Bonds and Series 1988 C Bonds on parity with the Series 1986 A Bonds and the Series 1988 B Bonds and Series 1988 D Bonds on parity with the Series 1986 B Bonds.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds, the BAN and the Notes 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 such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, BAN and Notes, respectively, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds, BAN of the same series and between any one Note and any other Note, 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 adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original 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 Governing Body of the Issuer or any temporary Chairman duly appointed by the Governing Body.

"BAN" means the Issuer's Sewerage System Bond Anticipation Notes, Series 1988, to be issued concurrently with the Series 1988 A and Series 1988 B Bonds.

"BAN Reserve Account" means the BAN Reserve Account established in the BAN Sinking Fund pursuant to Section 5.02 hereof.

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

"BAN Sinking Fund" means the BAN Sinking Fund established by Section 5.02 hereof.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

"Bond Registrar" means the bank or other entity to be designated as registrar for the Bonds and the BAN in the 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" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

"Series 1986 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 A, dated May 16, 1986, issued in the original aggregate principal amount of $100,320, of which $100,054 remains Outstanding as of the date of adoption of this Resolution.

"Series 1986 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 B, dated May 16, 1986, issued in the original aggregate principal amount of $49,961, of which $48,680 remains Outstanding as of the date of adoption of this Resolution.

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

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

"Consulting Engineers" means Cerrone & Associates, Inc., Wheeling, West Virginia, or any 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 1.02D 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 in the Supplemental Resolution, and its successors and assigns.

"Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

"Excess Investment Earnings" means an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Series 1988 A and Series C Bonds and the BAN are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Series 1988 A and Series C Bonds and the BAN, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"First Lien Bonds" means, collectively, the Series 1986 A, Series 1988 A and Series 1988 C Bonds.

"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 the EPA Grant.

"Grant Agreement" means a written commitment for the payment of the EPA 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 Grant is to be paid to the Issuer.

"Grant Receipts" means all moneys received by the Issuer on account of EPA Grant after the date of issuance of the Notes.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds of the Series 1988 A and Series 1988 C Bonds and the BAN, namely, net amounts received by or for the Issuer as a result of the sale of the Series 1988 A and Series 1988 C Bonds and the BAN, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1988 A and Series 1988 C Bonds and the BAN;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as

referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1988 A or Series 1988 C Bonds or the BAN;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior bonds and which are deemed to become proceeds of the Series 1988 A or Series 1988 C Bonds or the BAN ratably as original proceeds of the Series 1988 A or Series 1988 C Bonds or the BAN, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds (as referenced in clauses (i) through (iii) above) of the Series 1988 A or Series 1988 C Bonds or the BAN, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Reserve Accounts and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Series 1988 A or Series 1988 C Bonds or the BAN by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Series 1988 A or Series 1988 C Bonds or the BAN; and

(viii) Amounts received as a result of investing amounts described in this definition.

"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.

"Indenture" or "Trust Indenture" means the Trust Indenture which may be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"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.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes.

"Issuer" means Ohio County Public Service District, in Ohio County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means, collectively, the Loan Agreement and the Supplemental Loan Agreement, both dated September 30, 1988, entered into between the Authority and the Issuer providing for the purchase of the Series 1988 A and Series 1988 B Bonds from the Issuer by the Authority, the forms of which are approved, and the execution and delivery by the Issuer authorized and directed by, this Resolution.

"Net Proceeds" means the face amount of the Series 1988 A Bonds, Series 1988 C Bonds and the BAN, plus accrued interest and

premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1988 A Bonds, Series 1988 C Bonds and BAN Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1988 A and Series 1988 C Bonds or the BAN, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Noteholder," "Holder of the Notes" or any similar term means the person, whenever used herein with respect to an outstanding Note or Notes, in whose name such Note is registered.

"Notes" means collectively, the not more than $5,000,000 in aggregate principal amount of sewerage system grant anticipation notes or notes evidencing a line of credit originally authorized hereby which may be issued by the Issuer, the terms of which shall be set forth in a Supplemental Resolution, and unless the context clearly indicates otherwise, the terms "Notes" includes any refunding Notes of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which may be established by Section 4.02 of the Indenture, if any.

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by Section 4.01 of the Indenture, if any.

"Notes Registrar" means the bank to be designated as such in the Indenture or the Supplemental Resolution and its successors and assigns.

"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, Paying Agent and the Trustee (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, BAN or Notes, 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.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the Series 1988 A, Series 1988 B, Series 1988 C and Series 1988 D 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.

"Original Notes Purchaser" means, in the event Notes are issued, such original purchaser of the Notes as shall be named in a resolution supplemental hereto.

"Other Grants" means any other grant other than the EPA Grant hereafter received by the Issuer to aid in financing any costs.

"Outstanding," when used with reference to Bonds, BAN or Notes, and as of any particular date, describes all Bonds, BAN or Notes theretofore and thereupon being authenticated and delivered except (i) any Bond, BAN or Note cancelled by the Bond Registrar or Registrar for Prior Bonds, or Notes Registrar, at or prior to said date; (ii) any Bond, BAN or Note or Prior Bonds, 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 or under the Indenture, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond, BAN or Note deemed to have been paid as provided in Article X hereof or as provided in the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, or holders of Prior Bonds or any Bonds, BAN or Notes or Prior Bonds registered to the Issuer.

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

"Paying Agent" means the bank or banks or other entity designated as such for the Bonds, BAN and/or the Notes in the Indenture or in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Prior Bonds" means collectively, the Series 1986 A Bonds and the Series 1986 B Bonds.

"Prior Resolution" means the Resolution authorizing issuance of the Series 1986 A and Series 1986 B Bonds.

"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 Authority's loan program, under which the Authority purchases the sewer development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of sewer development revenue bonds of the Authority.

"Project" means the acquisition and construction of certain additions, betterments and improvements for the Issuer's existing sanitary sewerage facilities, consisting of collector and interceptor lines to serve approximately 730 homes in the Short Creek Watershed area and all necessary appurtenances.

"Purchase Price," for the purpose of computation of the Yield of the Series 1988 A and Series 1988 C Bonds and the BAN, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 1988 A and Series 1988 C Bonds and the BAN, to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 1988 A and Series 1988 C Bonds and the BAN, of each maturity is sold or, if the Series 1988 A and Series 1988 C Bonds and the BAN, are privately placed, the price paid by the first buyer of the Series 1988 A and Series 1988 C Bonds and the BAN, or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 1988 A or Series 1988 C Bonds and the BAN, for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 1988 A or Series 1988 C Bonds and the BAN.

"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; and

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

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

"Registrar" means as appropriate, either the Bond Registrar or the Notes Registrar or both.

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

"Renewal and Replacement Fund" means the Renewal and

Replacement Fund established by Section 5.01 hereof.

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

"Second Loan Agreement" means, collectively, the second loan agreement and the second supplemental loan agreement between the Authority and the Issuer providing for the purchase, at a future date, of the Series 1988 C and Series 1988 D Bonds from the Issuer by the Authority, the forms of which are hereby approved, and the execution and delivery of which are directed.

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

"Series 1988 A Bonds" or "1988 A Bonds" means the not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 A, of the Issuer.

"Series 1988 A Bonds Reserve Account" means the Series 1988 A Bonds Reserve Account established in the Series 1988 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 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 1988 A Bonds in the then current or any succeeding year.

"Series 1988 A Bonds Sinking Fund" means the Series 1988 A Sinking Fund established by Section 5.02 hereof.

"Series 1988 B Bonds" or "1988 B Bonds" means the not more than $500,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 C, of the Issuer.

"Series 1988 B Bonds Reserve Account" means the Series 1988 B Bonds Reserve Account established in the Series 1988 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1988 B Bonds in the then current or any succeeding year.

"Series 1988 B Bonds Sinking Fund" means the Series 1988 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1988 C Bonds" or "1988 C Bonds" means the not more than $2,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 C, of the Issuer.

"Series 1988 C Bonds Reserve Account" means the Series 1988 C Bonds Reserve Account established in the Series 1988 C Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 C Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1988 C Bonds in the then current or any succeeding year.

"Series 1988 C Bonds Sinking Fund" means the Series 1988 C Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1988 D Bonds" or "1988 D Bonds" means the not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 D, of the Issuer.

"Series 1988 D Bonds Reserve Account" means the Series 1988 D Bonds Reserve Account established in the Series 1988 D Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 D Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1988 D Bonds in the then current or any succeeding year.

"Series 1988 D Bonds Sinking Fund" means the Series 1988 D Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Subordinate Bonds" means, collectively, the Series 1986 B, Series 1988 B and Series 1988 D Bonds.

"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 resolutions authorizing the sale of the BAN, the Notes or the Original Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Original Bonds, the BAN or the Notes, 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, the Prior Bonds, the BAN or any other obligations of the Issuer, including the Renewal and Replacement Fund and the Reserve Accounts, the proceeds of which Bonds, BAN or other obligations are to be used to pay Costs of the Project.

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

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Series 1988 A Bonds, Series 1988 C Bonds or the BAN, produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

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 $7,624,652, 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, BAN and Notes hereby authorized shall be applied as provided in the Indenture, if any, and Article VI hereof, respectively.

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 1988 A and Series 1988 C Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any of such purposes, as determined by the Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $4,500,000. Said Bonds shall be issued in four series, to be designated and issued in the maximum principal amounts as follows:

"Sewer Revenue Bonds, Series 1988 A" - $1,000,000
"Sewer Revenue Bonds, Series 1988 B" - $ 500,000
"Sewer Revenue Bonds, Series 1988 C" - $2,000,000
"Sewer Revenue Bonds, Series 1988 D" - $1,000,000

Said bonds shall have such terms as set forth hereinafter and in the Supplemental Resolution. The Series 1988 A and Series 1988 B Bonds shall be issued contemporaneously with issuance of the BAN and prior to the issuance of the Notes, if any. The Series 1988 C and Series 1988 D Bonds shall be issued subsequent to issuance of the BAN, for the purpose of paying the BAN, costs of issuing the Series 1988 C and Series 1988 D Bonds and remaining Costs of the Project. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be credited to or deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually 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. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered 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. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any 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 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 forms set forth in Section 3.09 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 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 any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through 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 is exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Reserve Accounts. 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. Bonds Secured by Pledge of Net Revenues; Respective Lien Positions. The payment of the debt service of all the Series 1988 A and Series 1988 C Bonds shall be secured forthwith equally and ratably with each other, by a lien on the Net Revenues on parity with the lien on Net Revenues in favor of the Holders of the Series 1986 A Bonds. The payment of the debt service of all the Series 1988 B and Series 1988 D Bonds and the BAN shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues junior and subordinate to the lien on Net Revenues in favor of the Holders of the First Lien Bonds and on parity with the lien on Net Revenues in favor of the Holders of the Series 1986 B Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and the BAN and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds and the BAN as the same become due.

Section 3.09. Form of Original Bonds. The text of the Bonds 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:

[Form of Series 1988 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____

_____
($_____), 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 rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1989. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) [to pay interest on the Bonds of this series] (the "Bonds") during the construction of the Project and for approximately _____ months thereafter; (iii) [to fund a reserve account for the Bonds]; and (iv) to pay certain costs of issuance hereof and related costs. 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 and Supplemental Resolution, duly adopted by the Issuer on _____, 1988 (collectively called 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 concurrently with the Sewer Revenue Bonds, Series 1988 B, of the Issuer (the "Series 1988 B Bonds"), issued in the aggregate principal amount of $_____ and the Sewerage System Bond Anticipation Notes, Series 1988 (the "BAN"), issued in the aggregate principal amount of $_____, which Series 1988 B Bonds and BAN are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Prior Bonds to be derived from the operation of the System, moneys in the Reserve Account (the "Series 1988 A Bonds Reserve Account"), created under the Bond Legislation for the Bonds and unexpended proceeds of the Bonds, the BAN and the Series 1988 B Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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 1988 A Bonds Reserve Account and unexpended proceeds of the Bonds, the BAN and the Series 1988 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1988 B Bonds, the BAN and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, the Series 1988 B Bonds, or the BAN, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1988 B Bonds, the BAN and any other obligations outstanding prior to or on a parity with the Bonds or Series 1988 B Bonds or the BAN, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the 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 Bond 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 Bond Legislation, 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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 1988.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 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 1988 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 B

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____ ($_____), in annual 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, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds") and (iii) to pay certain costs of issuance of the Bonds and related costs. 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 and Supplemental Resolution,

duly adopted by the Issuer on _____, 1988 (collectively called 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 JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS") AND

(ii) SEWER REVENUE BONDS, SERIES 1988 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 A BONDS").

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1986 B, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS") AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1988, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "BAN").

The Series 1986 A Bonds And the Series 1986 B Bonds are herein collectively called the "Prior Bonds." This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Series 1986 B Bonds and the BAN to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1986 A Bonds and the Series 1988 A Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1988 B Bonds Reserve Account), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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, except from said special fund provided from the Net Revenues, the

moneys in the Series 1988 B Bonds Reserve Account and unexpended Bond proceeds. 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, the BAN, the Series 1988 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 B Bonds Reserve Account and the reserve account established for the Series 1988 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Series 1988 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Prior Bonds is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

Subject to the registration requirements as 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 Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1988 A Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 1988.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 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 1988 C Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 C

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____ _____ ($_____), 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 rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning _____, 19__. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the principal of the Issuer's Sewerage System Bond Anticipation Notes, Series 1988; (ii) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. 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 and Supplemental Resolution, duly adopted by the Issuer on _____, and _____, 1988 (collectively called 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 concurrently with the Sewer Revenue Bonds, Series 1988 D, of the Issuer (the "Series 1988 D Bonds"), issued in the aggregate principal amount of $_____, which Series 1988 D Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 AND SEWER REVENUE BONDS, SERIES 1988 A, DATED _____, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Prior Bonds to be derived from the operation of the System, moneys in the Reserve Account (the "Series 1988 C Bonds Reserve Account"), created under the Bond Legislation for the Bonds and unexpended proceeds of the Bonds and the Series 1988 D Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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 1988 C

Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1988 D Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Prior Bonds, the Series 1988 B Bonds (as defined in the Bond Legislation), the Series 1986 B Bonds (as defined in the Bond Legislation), the Series 1988 D Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, the Series 1988 B Bonds, the Series 1986 B Bonds or the Series 1988 D Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1988 B Bonds, the Series 1988 D Bonds, the Series 1986 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1988 D Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the 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 Bond 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 Bond Legislation, 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 such lien to be on a parity however, with the lien of the holders of the Series 1988 A Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 19____.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 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 1988 D Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 D

No. DR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____ _____ ($_____), in annual 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, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the principal of the Issuer's Sewerage System Bond Anticipation Notes, Series 1988; (ii) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. 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 and Supplemental Resolution, duly adopted by the Issuer on _____, and _____, 1988 (collectively called 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 JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS");

(ii) SEWER REVENUE BONDS, SERIES 1988 A, DATED _____, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 A BONDS"); AND

(iii) SEWER REVENUE BONDS, SERIES 1988 C, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 C BONDS").

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN ADDITIONAL OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 B, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1988 B, DATED _____, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 B BONDS").

The Series 1986 A Bonds, Series 1986 B Bonds, Series 1988 A Bonds and Series 1988 B Bonds are herein collectively called the "Prior Bonds."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Series 1986 B and Series 1988 B Bonds to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1986 A, Series 1988 A and Series 1988 C Bonds and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1988 D Bonds Reserve Account), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1988 D Bonds Reserve Account and unexpended Bond proceeds. 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, the 1986 A Bonds, the Series 1988 A and Series 1988 C Bonds (collectively, the "First Lien Bonds"), the Series 1986 B Bonds and the Series 1988 B Bonds (as defined in the Bond Legislation), and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the First Lien Bonds, the Series 1986 B Bonds and the Series 1988 B Bonds, provided however, that so long as there exists in the Series 1988 D Bonds Reserve Account and the reserve accounts established for the First Lien Bonds, the Series 1986 B Bonds, and the Series 1988 B Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds, the First Lien Bonds and the Series 1986 B Bonds, and the Series 1988 B Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

Subject to the registration requirements as 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 Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1988 A Bonds and Series 1988 C Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 19____.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 D Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.10. Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement and Second Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and Second Loan Agreement in the forms 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 and Second Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved.

Section 3.11. "Amended Schedule A" Filing; Tender of Series 1988 B and Series 1988 D Bonds. Upon completion of acquisition and construction of the Project, 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 therefor. In the event such schedule reflects an excess of funding for the Project, or if the Authority is otherwise advised of an excess, the Authority may tender the Series 1988 B and Series 1988 D Bonds to the Issuer for payment in an amount equal to such excess. Notwithstanding the foregoing, if the Issuer has Notes outstanding upon completion of construction of the Project, it will advise the Authority of such fact and submit a second schedule to the Authority upon payment of such Notes, and the Authority will not tender its Series 1988 B or Series 1988 D Bonds for payment until the outstanding Notes have been paid.

ARTICLE IV

BAN AND INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the proceeds of the Grant Receipts, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed $5,000,000. The Notes may be in the form of grant anticipation notes or as evidence of a line of credit from a commercial bank or other lender, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or supplemental resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued in fully registered form, in the denominations, with such terms and secured in the manner set forth in the Indenture, if applicable (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a supplemental resolution), or supplemental resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the Grant Receipts, the Surplus Revenues, the letter of credit proceeds, if any, and other sources described in the Indenture or supplemental resolution. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture and the Supplemental Resolution.

Section 4.04. Letters of Credit. As additional security for any Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $1,000,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding

notes to the bank issuing such letter of credit. Any such letter or letters of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

Section 4.05. Issuance of BAN. In order to pay certain Costs of the Project pending receipt of the proceeds of the Series 1988 C and Series 1988 D Bonds, the Issuer shall issue its BAN, in an aggregate principal amount not to exceed $2,000,000. The BAN shall have such provisions as to execution, authentication, registration, negotiability, transfer and such other terms and provisions as are set forth in connection with the Bonds in Article III hereof, and as shall be further set forth with respect to the BAN in the Supplemental Resolution.

Section 4.06. Form of BAN. The text of the BAN shall be in substantially the following form, with such ommissions, 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 BAN]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1988

No. R-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____

_____
($_____), 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 rate on each installment shall run from the original date of delivery of this Note 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 April 1, 1989. Principal installments of this Note 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 Note is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Note is subject to mandatory redemption in whole, within 15 days following receipt by the Issuer of notification from the Authority that it is prepared to purchase the Series 1988 C and Series 1988 D Bonds (as hereinafter defined), or otherwise provide for redemption hereof, at the price of 100% of the principal amount outstanding plus interest accrued to the date of such redemption.

This Note constitutes all of the Notes of an issue of Sewerage System Bond Anticipation Notes, Series 1988, of the Issuer (the "Notes") issued in the aggregate principal amount of $1,164,129, and is issued (i) to temporarily pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest hereon during the construction of the Project and for approximately 2 months thereafter; (iii) to fund a reserve account for the Notes; and (iv) to pay certain costs of issuance hereof and related costs. This Note 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 and Supplemental Resolution, duly adopted by the Issuer on September 28, 1988 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof.

This Note is issued concurrently with the Sewer Revenue Bonds, Series 1988 A and Series 1988 B, of the Issuer (the "Bonds"), issued in the aggregate principal amount of $868,656, which Series 1988 A Bonds are senior and prior to the Notes and Series 1988 B Bonds are on parity with the Notes with respect to the lien on and pledge of the Net Revenues (as defined in the Bond Legislation).

This Note is payable from proceeds of the Issuer's Sewer Revenue Bonds, Series 1988 C (the "Series 1988 C Bonds") and Series 1988 D (the "Series 1988 D Bonds"), expected to be purchased by the Authority in accordance with a letter of the Authority dated September 30, 1988, relating to such purchase. In the event the Series 1988 C and Series 1988 D Bonds are not purchased by the Authority in accordance with a letter from the Authority dated September 30, 1988, relating to such purchase. In the event the Series 1988 C and Series 1988 D Bonds are not purchased by the Authority, this Note shall be payable from and secured by a pledge of the Net Revenues on a subordinate basis to the Series 1986 A and Series 1988 A and on a parity with the Series 1986 B and Series 1988 B Bonds, moneys in the Reserve Account (the "BAN Reserve Account"), created under the Bond Legislation for the Notes and unexpended proceeds of the Notes. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds or notes which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Note 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 the proceeds of the Series 1988 C and Series 1988 D Bonds, said special fund provided from the Net Revenues, the moneys in the BAN Reserve Account and unexpended

proceeds of the Notes. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Notes, and all other obligations secured by a lien on or payable from the Net Revenues prior to or on a parity with the Notes, provided however, that so long as there exists in the BAN Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Notes in the then current or any succeeding year, and in the respective reserve accounts established for all other obligations outstanding prior to or on a parity with the Notes, 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 Notes for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Notes 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 Note is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Note together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Note, 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 Note, 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 Bond Legislation, 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 Note subject however, to the prior lien thereon in favor of the holders of the Series 1986 A and Series 1988 A Bonds, and the parity lien thereon in favor of the holders of the Series 1986 B and Series 1988 B Bonds.

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 Note have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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 Note.

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

IN WITNESS WHEREOF, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Note to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Note to be dated _____, 1988.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Bond Anticipation Notes, Series 1988, 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Note and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Note on the books kept for registration of the within Note of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

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 established (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 or the Issuer and from each other:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Bond Construction Trust Fund;

(4) Pump Replacement Reserve Fund; and

(5) Connection Reserve Fund.

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

(1) The Sinking Funds established for the Series 1986 A Bonds and the Series 1986 B Bonds (herein collectively called the "Prior Bonds Sinking Funds");

(2) Series 1988 A Bonds Sinking Fund;

(a) Within the Series 1988 A Bonds Sinking Fund, the Series 1988 A Bonds Reserve Account.

(3) Series 1988 B Bonds Sinking Fund;

(a) Within the Series 1988 B Bonds Sinking Fund, the Series 1988 B Bonds Reserve Account.

(4) Series 1988 C Bonds Sinking Fund;

(a) Within the Series 1988 C Bonds Sinking Fund, the Series 1988 C Bonds Reserve Account.

(5) Series 1988 D Bonds Sinking Fund;

(a) Within the Series 1988 D Bonds Sinking Fund, the Series 1988 D Bonds Reserve Account.

(6) BAN Sinking Fund;

(a) Within the BAN Sinking Fund, the BAN 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.

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

(2) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1986 A Bonds Sinking Fund, the Series 1988 A Bonds Sinking Fund and the Series 1988 C Bonds Sinking Fund, such sums as shall be equal to 1/6th of the respective amounts of interest which will become due on the Series 1986 A, Series 1988 A and Series 1988 C Bonds on the next ensuing semiannual interest payment date thereof; provided, that, such payments on account of the Series 1988 A and Series 1988 C Bonds shall commence 7 months prior to the first date of payment of interest on such Series of Bonds for which interest has not been capitalized; and provided further, that in the event the period to elapse between the date of such initial deposit in the Series 1988 A Bonds Sinking Fund or Series 1988 C Bonds 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; provided further, that interest on the Series 1986 A, Series 1988 A and Series 1988 C Bonds shall be paid pro rata, in accordance with the respective principal amounts thereof Outstanding.

(3) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bonds Sinking Fund, the Series 1988 A Bonds Sinking Fund,

and the Series 1988 C Bonds Sinking Fund, such sums as shall be equal to 1/12th of the amount of principal which will mature and become due on the Series 1986 A, Series 1988 A and Series 1988 C Bonds on the next ensuing principal payment date thereof; provided that, such payments on account of the Series 1988 A and Series 1988 C Bonds shall commence 13 months prior to the first date of payment of principal on such Series of Bonds; and provided further, that in the event the period to elapse between the date of such initial deposit in the Series 1988 A Bonds Sinking Fund or Series 1988 C Bonds 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; provided further, that principal of the Series 1986 A, Series 1988 A and Series 1988 C Bonds shall be paid pro rata in accordance with the respective principal amounts Outstanding.

(4) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bonds Reserve Account, the Series 1988 A Bonds Reserve Account, and the Series 1988 C Bonds Reserve Account, such amounts as shall be equal to 1/120 of the Series 1986 A Bonds Reserve Requirement, the Series 1988 A Bonds Reserve Requirement and the Series 1988 C Bonds Reserve Requirement; provided, that such payments on account of the Series 1988 A and Series 1988 C Bonds shall commence 13 months prior to the first date of payment of principal on such Series of Bonds; and provided further, that no further payments shall be made into any such Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Reserve Requirement for such Series of Bonds; provided further, that the reserve accounts established for the Series 1986 A, Series 1988 A and Series 1988 C Bonds shall be funded pro rata, in accordance with the respective principal amounts Outstanding.

(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 established by the 1986 Resolution and continued herein, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept

apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1986 A Bonds Reserve Account, the Series 1988 A Bonds Reserve Account or the Series 1988 C Bonds 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 by Subsection 5.03(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Sinking Fund, the Series 1988 B Bonds Sinking Fund, and the Series 1988 D Bonds Sinking Fund such sums as shall be equal to 1/12th of the amount of principal which will mature and become due on the Series 1986 B Bonds, the Series 1988 B Bonds and the Series 1988 D Bonds on the next ensuing principal payment date thereof; provided that, such payments on account of the Series 1988 B Bonds and Series 1988 D Bonds shall commence 13 months prior to the first date of payment of principal on such Series of Bonds; and provided further, that in the event the period to elapse between the date of such initial deposit in the Series 1988 B Bonds Sinking Fund or Series 1988 D Bonds 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; provided further, that principal of the Series 1986 B, Series 1988 B and Series 1988 D Bonds shall be paid pro rata, in accordance with the respective principal amounts Outstanding.

(7) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Reserve Account, the Series 1988 B Bonds Reserve Account and the Series 1988 D Bonds Reserve Account, such amounts as shall be equal to 1/120 of the Series 1986 B Bonds Reserve Requirement, the Series 1988 B Bonds Reserve Requirement and the Series 1988 D Bonds Reserve

Requirement; provided, that such payments on account of the Series 1988 B Bonds and Series 1988 D Bonds shall commence 13 months prior to the first date of payment of principal on such Series of Bonds; and provided further, that no further payments shall be made into any such Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Reserve Requirement for such Series of Bonds; provided further, that the reserve accounts established for the Series 1986 B, Series 1988 B and Series 1988 D Bonds shall be funded pro rata, in accordance with the respective principal amounts Outstanding.

In the event the Series 1988 C and Series 1988 D Bonds are not issued prior to April 1, 1989, the payments which would have been made with respect to the Series 1988 C and Series 1988 D Bonds set forth in Section 5.03(2), (3), (4),(6) and (7) hereof shall be made into the BAN Sinking Fund on behalf of the BAN.

Moneys in each Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in each Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several Sinking Funds and Reserve Accounts 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 Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1986 A Bonds Reserve Account, the Series 1988 A Bonds Reserve Account or the Series 1988 C Bonds Reserve Account which result in a reduction in the balance of such Reserve Accounts to below the Reserve Requirements therefor, shall be subsequently restored from the first Net Revenues available after all required payments to the attendant Sinking Funds for payment of debt service thereof have been made in full.

Any withdrawals from the Series 1986 B Bonds Reserve Account, the Series 1988 B Bonds Reserve Account, the Series 1988 D Bonds Reserve Account or the BAN Reserve Account which result in a reduction in the balance of such Reserve Accounts to below the Reserve Requirements therefor, shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1986 A, Series 1988 A and Series 1988 C Bonds Sinking Funds and Reserve Accounts, the Renewal and Replacement Fund and the Series 1986 B, Series 1988 B and Series 1988 C Bonds and BAN Sinking Funds have been made in full.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective Sinking 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 any of the respective Sinking Funds or into the attendant Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Fund and Reserve Account are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Sinking Funds 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

8. The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Depository Bank for deposit in the Pump Replacement Fund and the Connection Reserve Fund, the respective sums of $895 and $935.

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 there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Accounts therein, and the sinking funds established for the Prior Bonds 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. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund.

C. 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 the Depository Bank's or Registrar's charges and the Paying Agent fees then due.

D. 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.

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the

subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. Moneys in the Pump Replacement Fund shall be used solely to pay costs of replacing grinder pumps for the System and moneys in the Connection Reserve Fund shall be used solely to pay costs of connecting new customers to the System.

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

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

I. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System, provided that, in the event Notes are issued, Tap Fees may, with the written consent of the Authority be deposited otherwise.

J. In the event that moneys in the Revenue Fund may be inadequate to permit the Issuer to make all of the deposits required by this Section 5.03, the principal of and interest on the Series 1986 A Bonds, the Series 1988 A Bonds and the Series 1988 C Bonds shall be paid pro-rata, in accordance with the respective Outstanding principal amounts thereof, and the Series 1986 B Bonds, the Series 1988 B Bonds, the BAN, if then Outstanding and the Series 1988 D Bonds shall also be paid pro-rata, in accordance with the respective Outstanding principal amounts thereof.

ARTICLE VI

DISPOSITION OF BOND AND BAN PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Series 1988 A and Series 1988 B Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1988 A and Series 1988 B Bonds, the following amounts shall be deposited in the order set forth below:

A. From the proceeds of the Series 1988 A Bonds, there shall first be deposited with the Commission in the Series 1988 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1988 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1988 A Bonds, there shall be deposited with the Commission in the Series 1988 A Bonds Reserve Account and from the proceeds of the Series 1988 B Bonds, there shall be deposited with the Commission in the Series 1988 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. Next, from the proceeds of the Series 1988 A Bonds, there shall first be credited to the Bond Construction Trust Fund and then paid, any and all borrowings by the Issuer (excluding the BAN) 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.

D. The remaining moneys derived from the sale of the Series 1988 A and Series 1988 B Bonds shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

Section 6.02. Application of BAN Proceeds; Pledge of Unexpended BAN Proceeds. From the moneys received from the sale of the BAN, the following amounts shall be deposited in the order set forth below:

A. From the proceeds of the BAN, there shall first be deposited with the Commission in the BAN Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount

necessary to pay interest on the BAN for the period commencing on the date of issuance of the BAN and ending 6 months after the estimated date of completion of construction of the Project.

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

C. The remaining moneys derived from the sale of the BAN shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

Section 6.03. Application of Series 1988 C and Series 1988 D Bonds Proceeds; Pledge of Unexpended Bond Proceeds. The entire proceeds of the Series 1988 C and Series 1988 D Bonds (except for any funding of capitalized interest on the Series 1988 C Bonds, as shall be determined by the Supplemental Resolution) shall be applied to payment of the principal of the BAN and any remaining proceeds shall be deposited in the Bond Construction Trust Fund. Upon such payment of the BAN, all moneys in the BAN Reserve Account shall be transferred to the Series 1988 C and Series 1988 D Bonds Reserve Account so as to satisfy the Reserve Requirements thereof, and all moneys in the BAN Sinking Fund shall be transferred to the Series 1988 C Bonds Sinking Fund.

Section 6.04. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

A. Except as provided in Section 6.04(B) hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Original 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 Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust 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 Bond Construction Trust 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 Bond Construction Trust 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 Bond Construction Trust Fund to the Series 1988 A Bonds Reserve Account, and the Series 1988 C Bonds Reserve Account, pro rata, in accordance with the respective principal amounts thereof, and, when fully funded, to the Series 1988 B Bonds Reserve Account, the Series 1988 D Bonds Reserve Account and the BAN Reserve Account, pro rata, and when all Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon. Notwithstanding the foregoing, if the Authority tenders any of its Series 1988 B or Series 1988 D Bonds to the Issuer pursuant to the provisions of the Supplemental Loan Agreement, such moneys shall be applied to the purchase of such portion of the Series 1988 B or Series 1988 D Bonds.

B. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1988 A and Series 1988 C Bonds, on a parity basis, and thereafter for the Series 1988 B Bonds, the Series 1988 D Bonds and the BAN, on a parity basis. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Until the payment in full of the principal of and interest on the BAN and the Notes when due, and to the extent they do not materially adversely affect Bondholders, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the BAN and the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said BAN or Notes as prescribed in the Indenture; provided, that Section 7.03 and Section 7.09 shall not be applied to the Notes.

Section 7.02. Bonds, BAN and Notes not to be Indebtedness of the Issuer. Neither the Bonds, the BAN nor the Notes 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, BAN or Notes, shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds, BAN or Notes or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Each Series of Bonds. The payment of the debt service of the First Lien Bonds shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System on parity with each other. Payment of the debt service of the Subordinate Bonds and the BAN shall be secured forthwith equally and ratably by a lien on said Net Revenues on parity with each other, but junior and subordinate to the lien on said Net Revenues in favor of the Holders of the First Lien Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the BAN and the

Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts 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 as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. 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 and described in the Order of the Public Service Commission of West Virginia entered June 17, 1988 (Case No. 87-751-S-CN) and such rates are hereby adopted.

Section 7.05. Sale of the System. Except as otherwise required by 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 Bonds and Notes, if any, Outstanding, or to effectively defease this Resolution in accordance with Section 10.01 hereof and, if entered into and not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, 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 at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest 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. With respect to the Notes, following payment of the Bonds, such proceeds in an amount sufficient to pay the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Indenture, prior thereto.

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 Commission for deposit in the 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 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 Bonds then Outstanding without the prior approval and consent in writing of 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 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 in Section 7.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or supplemental resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Subordinate Bonds only may be issued as provided for in Section 7.07 hereof. All obligations

issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds or the Prior Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current. SO LONG AS THE BAN ARE OUTSTANDING, THE ISSUER SHALL NOT ISSUE ANY OBLIGATIONS WHATSOEVER WITH A LIEN ON OR OTHERWISE PAYABLE FROM THE NET REVENUES WITHOUT FIRST OBTAINING THE WRITTEN CONSENT OF THE AUTHORITY TO SUCH ISSUANCE.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds 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 Subordinate Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the First Lien Bonds, unless the Subordinate Bonds are no longer outstanding.

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 Prior Bonds and any other obligations with a lien on the Net Revenues prior to that of the Bonds;

(2) The Bonds then Outstanding;

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

(4) 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 and approved by the Public Service Commission of West Virginia, 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 Bonds and the Prior Bonds 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 Bonds or the Prior 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.

B. Notwithstanding the foregoing, or any provision of Section 7.06 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 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Bonds.

Section 7.08. 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 any Holder of a Bond or Bonds or of a Note or Notes issued pursuant to this Bond Legislation or the

Trustee 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 Consulting Engineers, the Trustee and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, 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 Indenture with respect to said Bonds or Notes, as the case may be, 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 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 or Notes, as the case may be, and shall submit said report to the Trustee and 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.

Section 7.09. 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. 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 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 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, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for obligations prior to or on a parity with the 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 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 schedule described in Section 7.04.

Section 7.10. 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 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 mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, 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 Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

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 7.11. 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 7.12. 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 of the Issuer, 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 7.13. 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 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds or the Notes 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 $100,000 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 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 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant

of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 7.17. 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 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to

the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of 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 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Bonds and the BAN, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Bonds and the BAN and shall be for the equal benefit of all Holders of each respective series of Bonds and BAN, provided however, that the statutory mortgage lien in favor of the Holders of the First Lien Bonds shall be senior and prior to the statutory mortgage lien in favor of the Holders of the Subordinate Bonds and the BAN.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation or the Indenture, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Trustee, if any, 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, and the Indenture, if any, the need for such moneys for the purposes set forth herein and in the Indenture, if any, and the specific restrictions and provisions set forth in this Section 8.01 and in the Indenture.

Except as provided in the Indenture, if any, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Trustee, if any, 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 Trustee, if any, 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 Trustee, if any, and 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 so long as any of the Bonds are Outstanding.

Section 8.02. 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 8.03. Rebate of Excess Investment Earnings to the United States. A. CREATION OF FUNDS. There are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Bond Legislation, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Bond Legislation, other than (i) interest earnings and profits on any funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than $100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on or before the 30th day following the end of each Bond Year or on the preceding business day in the event that such last day is not a business day, or such earlier date as may be required under the Code, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of Debt Service on the next interest payment date and for such purpose, Debt Service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

B. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection C and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsections D and E.

C. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 15 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 15 days following the last day of each Bond Year and within 15 days following the date of the retirement of the Bond, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

(1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

(2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Bonds shall be determined based on the actual Yield of the Bonds during the period between the Closing Date of the Bonds and the date the computation is made (with adjustments for original issue discount or premium).

(4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bond, and no amount may be treated as "negative arbitrage."

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual Debt Service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than $100,000.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period. Not later than 60 days after the retirement of the Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment 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 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 by this Subsection D, 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.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and

that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

F. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of 6 years following the retirement of the Bonds, records of the determinations made pursuant to this Section 8.03.

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, 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.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further 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.

I. REPORTING TO AUTHORITY. The Issuer shall furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with such rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, then the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge durings the Bond Year which would make the Bonds subject to rebate.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Notes; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; 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.

B. 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 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Bond Legislation, any supplemental resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, 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.

C. Each of the following events shall constitute an "Event of Default" with respect to the BAN:

(1) If default occurs in the due and punctual payment of the principal of or interest on any BAN; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the BAN set forth in this Bond Legislation, any supplemental resolution or in the BAN, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a BAN; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note, Bond or BAN as the case may be, 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 Notes, Bonds or BAN, as the case may be, (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 Notes, Bonds or BAN as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes, Bonds or BAN, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders or holders of the BAN, and provided further, that all rights and remedies of the Holders of the Subordinate Bonds shall be subject to those of the Holders of the First Lien Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond or BAN 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 Bonds or BAN, any Registered Owner of a Bond or BAN 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, among other things, to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and the BAN and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and the BAN 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 or BAN shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds and the BAN. 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 construction, 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 BAN and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1988 A and Series 1988 C Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1988 A and Series 1988 C Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1988 A and Series 1988 C Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1988 A and Series 1988 C Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1988 A and Series 1988 C Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents 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 1988 A and Series 1988 C Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1988 A and Series 1988 C Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1988 A and Series 1988 C Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1988 A and Series 1988 C Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said

Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1988 B and Series 1988 D Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1988 B and Series 1988 D Bonds, the principal 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 1988 B and Series 1988 D Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1988 B and Series 1988 D Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1988 B and Series 1988 D Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents 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 such Series 1988 B and Series 1988 D Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1988 B and Series 1988 D Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of said Series 1988 B and Series 1988 D Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of said Series 1988 B and Series 1988 D Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when

due the principal installments of said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of BAN. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all BAN, the principal of and interest due or to become due thereon, at the times and in the manner set forth therein, then with respect to the BAN only, this Bond Legislation and the pledge of Net Revenues and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the BAN shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 10.04. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to the Notes only, this Bond Legislation, the Indenture, if any, and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. 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 Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Prior Bonds, Notes or Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes 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 any series of Bonds or Notes respectively, 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 or Noteholder 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 and the Notes from gross income of the Holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds and Notes, 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, the Indenture, if any, the Bonds or the Notes, if any.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a certificate of convenience and necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Ohio County Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The respective maximum amounts of the Bonds and Notes to be issued;

(b) The respective maximum interest rates and terms of the Bonds and the Notes originally authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of convenience and necessity is to be filed with the Public Service Commission of West Virginia.

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

Adopted this 28th day of September, 1988.

Chairman, Public Service Board

Member, Public Service Board

Member, Public Service Board

CERTIFICATION

Certified a true copy of a Resolution adopted by the Public Service Board of Ohio County Public Service District on the 28th day of September, 1988.

Dated: September 30, 1988.

[SEAL]

Secretary, Public Service Board

09/29/88
OCPII2/3-A/A

"EXHIBIT A"

[Included as Document Nos. 3 and 4 of Bond Transcript]

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1988 A and Series 1988 B
and
Bond Anticipation Notes, Series 1988

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1988 A AND SERIES 1988 B, AND BOND ANTICIPATION NOTES, SERIES 1988, OF OHIO COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING LOAN AGREEMENTS AND SUPPLEMENTAL LOAN AGREEMENTS RELATING TO SUCH BONDS AND SERIES 1988 C AND SERIES 1988 D BONDS OF THE ISSUER AND THE SALE AND DELIVERY OF SUCH BONDS AND BOND ANTICIPATION NOTES TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND BOND ANTICIPATION NOTES

WHEREAS, the public service board (the "Governing Body") of Ohio County Public Service District (the "Issuer"), has duly and officially adopted a bond and notes resolution, effective September 28, 1988 (the "Bond and Notes Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 A, NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 B, NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 C, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE

BONDS, SERIES 1988 D, NOT MORE THAN $2,000,000 OF BOND ANTICIPATION NOTES, SERIES 1988, AND NOT MORE THAN $5,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS, BOND ANTICIPATION NOTES AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE, IF APPLICABLE, SECURING THE NOTES; APPROVING AND AUTHORIZING LOAN AGREEMENTS AND SUPPLEMENTAL LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH SERIES 1988 A BONDS, SERIES 1988 B BONDS, BOND ANTICIPATION NOTES AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond and Notes Resolution provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed $4,500,000, to be issued in four series, the Series 1988 A Bonds to be in an aggregate principal amount of not more than $1,000,000 (the "Series 1988 A Bonds"), the Series 1988 B Bonds to be in an aggregate principal amount of not more than $500,000 (the "Series 1988 B Bonds"), the Series 1988 C Bonds to be issued in an aggregate principal amount of not more than $2,000,000 (the "Series 1988 C Bonds") and the Series 1988 D Bonds to be issued in an aggregate principal amount of not more than $1,000,000 (the"Series 1988 D Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 1988 A Bonds dated September 30, 1988, and a supplemental loan agreement relating to the Series 1988 B Bonds, also dated September 30, 1988 (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"); and the Bond and Notes Resolution also provides for the issuance of Bond Anticipation Notes, Series 1988, of the Issuer (the "BAN") in an aggregate principal amount not to exceed $2,000,000, all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond and Notes Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds and BAN should be established by a supplemental resolution pertaining to the Bonds and the BAN; and that other matters relating to the Bonds and BAN be herein provided for;

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

WHEREAS, the Series 1988 A and Series 1988 B Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement, and the BAN are proposed to be purchased by the Authority pursuant to a letter from the Authority dated September 30, 1988, relating to the purchase of the Series 1988 C and Series 1988 D Bonds.

WHEREAS, the Issuer wishes to authorize the issuance and delivery of the Series 1988 A Bonds, the Series 1988 B Bonds and the BAN at this time;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Series 1988 A and Series 1988 B Bonds and the BAN be fixed hereby in the manner stated herein, and that other matters relating to the Series 1988 A and Series 1988 B Bonds and the BAN be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF OHIO COUNTY PUBLIC SERVICE DISTRICT:

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

(A) The Sewer Revenue Bonds, Series 1988 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $694,925. The Series 1988 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall bear interest at the rate of 9.0% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable April 1, 1989, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1988 A Bonds, and shall be payable in

installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached to the Series 1988 A Bonds and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1988 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $173,731. The Series 1988 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1988 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached to the Series 1988 B Bonds and to the Supplemental Loan Agreement and incorporated therein by reference.

(C) The Sewerage System Bond Anticipation Notes, Series 1988, of the Issuer, originally represented by a single BAN, numbered R-1, in the principal amount of $1,164,129. The BAN shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall bear interest at the rate of 7 1/2% per annum, payable April 1 and October 1 of each year, commencing April 1, 1989, shall be subject to mandatory redemption by the Issuer at the price of 100% of the principal amount outstanding, plus interest accrued to the date of such redemption, within 15 days following notification of the Issuer by the Authority that it is prepared to purchase the Series 1988 C and 1988 D Bonds (or otherwise provide for redemption of the BAN), and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in the Schedule of Payments to be attached thereto or upon such earlier redemption.

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

Section 3. The Issuer does hereby approve, accept and ratify the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Chairman of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby ratified and approved.

The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds and the BAN 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 One Valley Bank, National Association, in substantially the form attached hereto, and the execution and delivery by the Chairman of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds and the BAN.

Section 6. The Issuer does hereby appoint The First National Bank & Trust Company of Wheeling, Wheeling, West Virginia, as Depository Bank under the Bond and Notes Resolution.

Section 7. Series 1988 A Bonds proceeds in the amount of $95,708 shall be deposited in the Series 1988 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1988 A Bonds proceeds in the amount of $64,798 shall be deposited in the Series 1988 A Bonds Reserve Account and Series 1988 B Bonds proceeds in the amount of $4,455 shall be deposited in the Series 1988 B Bonds Reserve Account.

Section 9. BAN proceeds in the amount of $128,263 shall be deposited in the BAN Sinking Fund, as capitalized interest.

Section 10. BAN proceeds in the amount of $92,806 shall be deposited in the BAN Reserve Account.

Section 11. The balance of the proceeds of the Bonds and BAN shall be deposited in the Bond Construction Trust Fund for payment of Costs of the Project, including costs of issuance of the Bonds and the BAN, and repayment of any borrowings previously incurred for the Project.

Section 12. The Issuer hereby determines to pay, on the date of delivery of the Bonds and the BAN, and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, including, but not limited to, all temporary borrowings from West Virginia Water Development Authority.

Section 13. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds and the BAN hereby and by the Bond and Notes Resolution approved and provided for, to the end that the Bonds and the BAN may be delivered on or about September 30, 1988, to the Authority pursuant to the Loan Agreement.

Section 14. The financing of the Project in part with proceeds of the Bonds and the BAN is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 15. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond and Notes Resolution in the West Virginia "Consolidated Fund," and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be invested in the Consolidated Fund, until further directed by the Issuer.

Section 16. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or the BAN or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds or the BAN from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds or the BAN as "private activity bonds" within the meaning of the Code. They will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 28th day of September, 1988.

OHIO COUNTY PUBLIC SERVICE DISTRICT

James C. Boyd Jr.

Chairman

09/29/88
OCPII1-B

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 A

No. AR-1 $694,925

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 SIX HUNDRED NINETY-FOUR THOUSAND NINE HUNDRED TWENTY-FIVE DOLLARS ($694,925), 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 rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1989. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated September 30, 1988.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this series (the "Bonds") during the construction of the Project and for approximately 2 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. 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 and Supplemental Resolution, duly adopted by the Issuer on September 28, 1988 (collectively called 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 concurrently with the Sewer Revenue Bonds, Series 1988 B, of the Issuer (the "Series 1988 B Bonds"), issued in the aggregate principal amount of $173,731 and the Sewerage System Bond Anticipation Notes, Series 1988 (the "BAN"), issued in the aggregate principal amount of $1,164,129, which Series 1988 B Bonds and BAN are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Prior Bonds to be derived from the operation of the System, moneys in the Reserve Account (the "Series 1988 A Bonds Reserve Account"), created under the Bond Legislation for the Bonds and unexpended proceeds of the Bonds, the BAN and the Series 1988 B Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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 1988 A Bonds Reserve Account and unexpended proceeds of the Bonds, the BAN and the Series 1988 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1988 B Bonds, the BAN and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, the Series 1988 B Bonds, or the BAN, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1988 B Bonds, the BAN and any other obligations outstanding prior to or on a parity with the Bonds or Series 1988 B Bonds or the BAN, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the 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 Bond 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 Bond Legislation, 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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated September 30, 1988.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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: September 30, 1988

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 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:

_____

09/30/88
OCPII4-A

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 B

No. BR-1 $173,731

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 HUNDRED SEVENTY-THREE THOUSAND SEVEN HUNDRED THIRTY-ONE DOLLARS ($173,731), in annual 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, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated September 30, 1988.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds") and (iii) to pay certain costs of issuance of the Bonds and related costs. 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 and Supplemental Resolution, duly adopted by the Issuer on September 28, 1988 (collectively

called 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 JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS") AND

(ii) SEWER REVENUE BONDS, SERIES 1988 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $694,925 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 A BONDS").

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1986 B, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS") AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1988, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,164,129 AND DESCRIBED IN THE BOND LEGISLATION (THE "BAN").

The Series 1986 A Bonds And the Series 1986 B Bonds are herein collectively called the "Prior Bonds." This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Series 1986 B Bonds and the BAN to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1986 A Bonds and the Series 1988 A Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1988 B Bonds Reserve Account), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1988 B Bonds Reserve Account and unexpended

Bond proceeds. 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, the BAN, the Series 1988 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 B Bonds Reserve Account and the reserve accounts established for the Series 1988 A Bonds and the BAN, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds, the BAN and the Series 1988 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Prior Bonds is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

Subject to the registration requirements as 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 Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1988 A Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated September 30, 1988.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: September 30, 1988

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 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:

_____

09/30/88
OCPII4-B

OHIO COUNTY PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 1988 A, B, C and D
and
BOND ANTICIPATION NOTES, SERIES 1988

BOND AND NOTES RESOLUTION

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OHIO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 A, NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 B, NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 C, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 D, NOT MORE THAN $2,000,000 OF BOND ANTICIPATION NOTES, SERIES 1988, AND NOT MORE THAN $5,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS, BOND ANTICIPATION NOTES AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE, IF APPLICABLE, SECURING THE NOTES; APPROVING AND AUTHORIZING LOAN AGREEMENTS AND SUPPLEMENTAL LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH SERIES 1988 A BONDS, SERIES 1988 B BONDS, BOND ANTICIPATION NOTES AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF OHIO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A 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. Ohio County Public Service District (the "Issuer") is a public service district and political subdivision of the State of West Virginia in Ohio County of said State.

B. The Issuer owns and operates a public sewage treatment, collection and transportation system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements for such existing sewerage facilities of the Issuer consisting of collector and interceptor lines to serve approximately 730 homes in the Short Creek Watershed area and all appurtenant facilities and constituting the "Phase IIB" project described in the Order of the Public Service Commission of West Virginia(the "Project") (the existing sewerage facilities, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $7,624,652, 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 Prior Bonds, the Bonds and the BAN, and all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Prior Resolution, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to authorize the issuance of its Sewer Revenue Bonds in the total aggregate principal amount of not more than $4,500,000 in four series, being the Series 1988 A Bonds in the aggregate principal amount of not more than $1,000,000, the Series 1988 B Bonds in the aggregate principal amount of not more than $500,000, the Series 1988 C Bonds in the aggregate principal amount of not more than $2,000,000, the Series 1988 D Bonds in the aggregate principal amount of not more than $1,000,000 (collectively, the "Original Bonds"), the Sewerage System Bond Anticipation Notes, Series 1988 (the "BAN") in the aggregate principal amount of not more than $2,000,000, and its

sewerage system grant anticipation notes, or a note or notes evidencing a line of credit, or any combination of the foregoing (collectively, the "Notes") in the aggregate principal amount of not more than $5,000,000 to temporarily finance costs of construction and acquisition 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 upon the Notes during the term thereof and upon the Original Bonds and BAN prior to and during construction or acquisition and for not more than 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Original Bonds, BAN and Notes 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, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Original Bonds, BAN or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 1988 A Bonds and Series 1988 B Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") both dated September 30, 1988, entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, and attached hereto as "Exhibit A," and made a part hereof; and that its Series 1988 C Bonds and Series 1988 D Bonds be sold to the Authority pursuant to the terms and provisions of a second loan agreement and supplemental loan agreement (collectively, the "Second Loan Agreement") hereby approved, and, pending the sale of such Series 1988 C and Series 1988 D Bonds, that the BAN be issued and sold to the Authority.

G. There are outstanding obligations of the Issuer which will rank prior to or on parity with the Bonds and the BAN as to lien and source of and security for payment as follows:

(i) Sewer Revenue Bonds, Series 1986 A, dated May 16, 1986, issued in the original aggregate principal amount of $100,320, of which $100,054 remains outstanding as of the date of adoption of this Resolution (the "Series 1986 A Bonds"); and

(ii) Sewer Revenue Bonds, Series 1986 B, dated May 16, 1986, issued in the original aggregate principal amount of $49,961, of which $48,680 remains Outstanding as of the date of enactment of this Ordinance (the "Series 1986 B Bonds).

The Series 1986 B Bonds are junior and subordinate to the Series 1986 A Bonds. The Series 1986 A Bonds and the Series 1986 B Bonds are herein collectively called the "Prior Bonds." The Series 1986 A Bonds, Series 1988 A Bonds and Series 1988 C Bonds are herein collectively called the "First Lien Bonds" and shall be on parity with each other. The Series 1986 B Bonds, Series 1988 B Bonds and Series 1988 D Bonds are herein collectively called the "Subordinate Bonds" and shall be junior and subordinate to the First Lien Bonds, and on parity with each other. The BAN shall be junior and subordinate to the First Lien Bonds, and shall be on a parity with the Subordinate Bonds.

The BAN shall be payable from proceeds of the Series 1988 C Bonds and Series 1988 D Bonds or, if the Series 1988 C and Series 1988 D Bonds are not issued, from the Net Revenues. The Notes shall not be payable from the Net Revenues, but shall be payable from the Grant Receipts, Surplus Revenues and proceeds of a letter of credit, if any, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, the BAN and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, which has been appealed to the West Virginia Supreme Court of Appeals, and which appeal has been dismissed thereby.

I. The Issuer has received (or will receive prior to issuance of the Bonds) the written consent of the Authority to issuance of the Series 1988 A Bonds and Series 1988 C Bonds on parity with the Series 1986 A Bonds and the Series 1988 B Bonds and Series 1988 D Bonds on parity with the Series 1986 B Bonds.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds, the BAN and the Notes 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 such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, BAN and Notes, respectively, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds, BAN of the same series and between any one Note and any other Note, 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 adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original 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 Governing Body of the Issuer or any temporary Chairman duly appointed by the Governing Body.

"BAN" means the Issuer's Sewerage System Bond Anticipation Notes, Series 1988, to be issued concurrently with the Series 1988 A and Series 1988 B Bonds.

"BAN Reserve Account" means the BAN Reserve Account established in the BAN Sinking Fund pursuant to Section 5.02 hereof.

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

"BAN Sinking Fund" means the BAN Sinking Fund established by Section 5.02 hereof.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

"Bond Registrar" means the bank or other entity to be designated as registrar for the Bonds and the BAN in the 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" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

"Series 1986 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 A, dated May 16, 1986, issued in the original aggregate principal amount of $100,320, of which $100,054 remains Outstanding as of the date of adoption of this Resolution.

"Series 1986 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 B, dated May 16, 1986, issued in the original aggregate principal amount of $49,961, of which $48,680 remains Outstanding as of the date of adoption of this Resolution.

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

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

"Consulting Engineers" means Cerrone & Associates, Inc., Wheeling, West Virginia, or any 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 1.02D 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 in the Supplemental Resolution, and its successors and assigns.

"Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

"Excess Investment Earnings" means an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Series 1988 A and Series C Bonds and the BAN are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Series 1988 A and Series C Bonds and the BAN, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"First Lien Bonds" means, collectively, the Series 1986 A, Series 1988 A and Series 1988 C Bonds.

"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 the EPA Grant.

"Grant Agreement" means a written commitment for the payment of the EPA 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 Grant is to be paid to the Issuer.

"Grant Receipts" means all moneys received by the Issuer on account of EPA Grant after the date of issuance of the Notes.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds of the Series 1988 A and Series 1988 C Bonds and the BAN, namely, net amounts received by or for the Issuer as a result of the sale of the Series 1988 A and Series 1988 C Bonds and the BAN, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1988 A and Series 1988 C Bonds and the BAN;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as

referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1988 A or Series 1988 C Bonds or the BAN;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior bonds and which are deemed to become proceeds of the Series 1988 A or Series 1988 C Bonds or the BAN ratably as original proceeds of the Series 1988 A or Series 1988 C Bonds or the BAN, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds (as referenced in clauses (i) through (iii) above) of the Series 1988 A or Series 1988 C Bonds or the BAN, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Reserve Accounts and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Series 1988 A or Series 1988 C Bonds or the BAN by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Series 1988 A or Series 1988 C Bonds or the BAN; and

(viii) Amounts received as a result of investing amounts described in this definition.

"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.

"Indenture" or "Trust Indenture" means the Trust Indenture which may be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"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.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes.

"Issuer" means Ohio County Public Service District, in Ohio County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means, collectively, the Loan Agreement and the Supplemental Loan Agreement, both dated September 30, 1988, entered into between the Authority and the Issuer providing for the purchase of the Series 1988 A and Series 1988 B Bonds from the Issuer by the Authority, the forms of which are approved, and the execution and delivery by the Issuer authorized and directed by, this Resolution.

"Net Proceeds" means the face amount of the Series 1988 A Bonds, Series 1988 C Bonds and the BAN, plus accrued interest and

premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1988 A Bonds, Series 1988 C Bonds and BAN Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1988 A and Series 1988 C Bonds or the BAN, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Noteholder," "Holder of the Notes" or any similar term means the person, whenever used herein with respect to an outstanding Note or Notes, in whose name such Note is registered.

"Notes" means collectively, the not more than $5,000,000 in aggregate principal amount of sewerage system grant anticipation notes or notes evidencing a line of credit originally authorized hereby which may be issued by the Issuer, the terms of which shall be set forth in a Supplemental Resolution, and unless the context clearly indicates otherwise, the terms "Notes" includes any refunding Notes of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which may be established by Section 4.02 of the Indenture, if any.

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by Section 4.01 of the Indenture, if any.

"Notes Registrar" means the bank to be designated as such in the Indenture or the Supplemental Resolution and its successors and assigns.

"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, Paying Agent and the Trustee (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, BAN or Notes, 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.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the Series 1988 A, Series 1988 B, Series 1988 C and Series 1988 D 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.

"Original Notes Purchaser" means, in the event Notes are issued, such original purchaser of the Notes as shall be named in a resolution supplemental hereto.

"Other Grants" means any other grant other than the EPA Grant hereafter received by the Issuer to aid in financing any costs.

"Outstanding," when used with reference to Bonds, BAN or Notes, and as of any particular date, describes all Bonds, BAN or Notes theretofore and thereupon being authenticated and delivered except (i) any Bond, BAN or Note cancelled by the Bond Registrar or Registrar for Prior Bonds, or Notes Registrar, at or prior to said date; (ii) any Bond, BAN or Note or Prior Bonds, 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 or under the Indenture, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond, BAN or Note deemed to have been paid as provided in Article X hereof or as provided in the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, or holders of Prior Bonds or any Bonds, BAN or Notes or Prior Bonds registered to the Issuer.

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

"Paying Agent" means the bank or banks or other entity designated as such for the Bonds, BAN and/or the Notes in the Indenture or in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Prior Bonds" means collectively, the Series 1986 A Bonds and the Series 1986 B Bonds.

"Prior Resolution" means the Resolution authorizing issuance of the Series 1986 A and Series 1986 B Bonds.

"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 Authority's loan program, under which the Authority purchases the sewer development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of sewer development revenue bonds of the Authority.

"Project" means the acquisition and construction of certain additions, betterments and improvements for the Issuer's existing sanitary sewerage facilities, consisting of collector and interceptor lines to serve approximately 730 homes in the Short Creek Watershed area and all necessary appurtenances.

"Purchase Price," for the purpose of computation of the Yield of the Series 1988 A and Series 1988 C Bonds and the BAN, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 1988 A and Series 1988 C Bonds and the BAN, to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 1988 A and Series 1988 C Bonds and the BAN, of each maturity is sold or, if the Series 1988 A and Series 1988 C Bonds and the BAN, are privately placed, the price paid by the first buyer of the Series 1988 A and Series 1988 C Bonds and the BAN, or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 1988 A or Series 1988 C Bonds and the BAN, for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 1988 A or Series 1988 C Bonds and the BAN.

"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; and

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

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

"Registrar" means as appropriate, either the Bond Registrar or the Notes Registrar or both.

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

"Renewal and Replacement Fund" means the Renewal and

Replacement Fund established by Section 5.01 hereof.

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

"Second Loan Agreement" means, collectively, the second loan agreement and the second supplemental loan agreement between the Authority and the Issuer providing for the purchase, at a future date, of the Series 1988 C and Series 1988 D Bonds from the Issuer by the Authority, the forms of which are hereby approved, and the execution and delivery of which are directed.

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

"Series 1988 A Bonds" or "1988 A Bonds" means the not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 A, of the Issuer.

"Series 1988 A Bonds Reserve Account" means the Series 1988 A Bonds Reserve Account established in the Series 1988 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 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 1988 A Bonds in the then current or any succeeding year.

"Series 1988 A Bonds Sinking Fund" means the Series 1988 A Sinking Fund established by Section 5.02 hereof.

"Series 1988 B Bonds" or "1988 B Bonds" means the not more than $500,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 C, of the Issuer.

"Series 1988 B Bonds Reserve Account" means the Series 1988 B Bonds Reserve Account established in the Series 1988 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1988 B Bonds in the then current or any succeeding year.

"Series 1988 B Bonds Sinking Fund" means the Series 1988 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1988 C Bonds" or "1988 C Bonds" means the not more than $2,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 C, of the Issuer.

"Series 1988 C Bonds Reserve Account" means the Series 1988 C Bonds Reserve Account established in the Series 1988 C Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 C Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1988 C Bonds in the then current or any succeeding year.

"Series 1988 C Bonds Sinking Fund" means the Series 1988 C Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1988 D Bonds" or "1988 D Bonds" means the not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 D, of the Issuer.

"Series 1988 D Bonds Reserve Account" means the Series 1988 D Bonds Reserve Account established in the Series 1988 D Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 D Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1988 D Bonds in the then current or any succeeding year.

"Series 1988 D Bonds Sinking Fund" means the Series 1988 D Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Subordinate Bonds" means, collectively, the Series 1986 B, Series 1988 B and Series 1988 D Bonds.

"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 resolutions authorizing the sale of the BAN, the Notes or the Original Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Original Bonds, the BAN or the Notes, 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, the Prior Bonds, the BAN or any other obligations of the Issuer, including the Renewal and Replacement Fund and the Reserve Accounts, the proceeds of which Bonds, BAN or other obligations are to be used to pay Costs of the Project.

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

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Series 1988 A Bonds, Series 1988 C Bonds or the BAN, produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

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 $7,624,652, 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, BAN and Notes hereby authorized shall be applied as provided in the Indenture, if any, and Article VI hereof, respectively.

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 1988 A and Series 1988 C Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any of such purposes, as determined by the Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $4,500,000. Said Bonds shall be issued in four series, to be designated and issued in the maximum principal amounts as follows:

"Sewer Revenue Bonds, Series 1988 A" - $1,000,000
"Sewer Revenue Bonds, Series 1988 B" - $ 500,000
"Sewer Revenue Bonds, Series 1988 C" - $2,000,000
"Sewer Revenue Bonds, Series 1988 D" - $1,000,000

Said bonds shall have such terms as set forth hereinafter and in the Supplemental Resolution. The Series 1988 A and Series 1988 B Bonds shall be issued contemporaneously with issuance of the BAN and prior to the issuance of the Notes, if any. The Series 1988 C and Series 1988 D Bonds shall be issued subsequent to issuance of the BAN, for the purpose of paying the BAN, costs of issuing the Series 1988 C and Series 1988 D Bonds and remaining Costs of the Project. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be credited to or deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually 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. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered 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. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any 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 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 forms set forth in Section 3.09 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 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 any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through 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 is exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Reserve Accounts. 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. Bonds Secured by Pledge of Net Revenues; Respective Lien Positions. The payment of the debt service of all the Series 1988 A and Series 1988 C Bonds shall be secured forthwith equally and ratably with each other, by a lien on the Net Revenues on parity with the lien on Net Revenues in favor of the Holders of the Series 1986 A Bonds. The payment of the debt service of all the Series 1988 B and Series 1988 D Bonds and the BAN shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues junior and subordinate to the lien on Net Revenues in favor of the Holders of the First Lien Bonds and on parity with the lien on Net Revenues in favor of the Holders of the Series 1986 B Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and the BAN and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds and the BAN as the same become due.

Section 3.09. Form of Original Bonds. The text of the Bonds 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:

[Form of Series 1988 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____ ($_____), 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 rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1989. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) [to pay interest on the Bonds of this series] (the "Bonds") during the construction of the Project and for approximately _____ months thereafter; (iii) [to fund a reserve account for the Bonds]; and (iv) to pay certain costs of issuance hereof and related costs. 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 and Supplemental Resolution, duly adopted by the Issuer on _____, 1988 (collectively called 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 concurrently with the Sewer Revenue Bonds, Series 1988 B, of the Issuer (the "Series 1988 B Bonds"), issued in the aggregate principal amount of $_____ and the Sewerage System Bond Anticipation Notes, Series 1988 (the "BAN"), issued in the aggregate principal amount of $_____, which Series 1988 B Bonds and BAN are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Prior Bonds to be derived from the operation of the System, moneys in the Reserve Account (the "Series 1988 A Bonds Reserve Account"), created under the Bond Legislation for the Bonds and unexpended proceeds of the Bonds, the BAN and the Series 1988 B Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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 1988 A Bonds Reserve Account and unexpended proceeds of the Bonds, the BAN and the Series 1988 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1988 B Bonds, the BAN and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, the Series 1988 B Bonds, or the BAN, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1988 B Bonds, the BAN and any other obligations outstanding prior to or on a parity with the Bonds or Series 1988 B Bonds or the BAN, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the 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 Bond 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 Bond Legislation, and there shall be and hereby is created and granted a lien upon such

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 1988.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 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 1988 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 B

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____ ($_____), in annual 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, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds") and (iii) to pay certain costs of issuance of the Bonds and related costs. 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 and Supplemental Resolution,

duly adopted by the Issuer on _____, 1988 (collectively called 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 JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS") AND

(ii) SEWER REVENUE BONDS, SERIES 1988 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 A BONDS").

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1986 B, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS") AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1988, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "BAN").

The Series 1986 A Bonds And the Series 1986 B Bonds are herein collectively called the "Prior Bonds." This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Series 1986 B Bonds and the BAN to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1986 A Bonds and the Series 1988 A Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1988 B Bonds Reserve Account), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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, except from said special fund provided from the Net Revenues, the

moneys in the Series 1988 B Bonds Reserve Account and unexpended Bond proceeds. 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, the BAN, the Series 1988 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 B Bonds Reserve Account and the reserve account established for the Series 1988 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Series 1988 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Prior Bonds is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

Subject to the registration requirements as 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 Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1988 A Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 1988.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 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 1988 C Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 C

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____ ($_____), 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 rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning _____, 19__. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the principal of the Issuer's Sewerage System Bond Anticipation Notes, Series 1988; (ii) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. 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 and Supplemental Resolution, duly adopted by the Issuer on _____, and _____, 1988 (collectively called 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 concurrently with the Sewer Revenue Bonds, Series 1988 D, of the Issuer (the "Series 1988 D Bonds"), issued in the aggregate principal amount of $_____, which Series 1988 D Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 AND SEWER REVENUE BONDS, SERIES 1988 A, DATED _____, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Prior Bonds to be derived from the operation of the System, moneys in the Reserve Account (the "Series 1988 C Bonds Reserve Account"), created under the Bond Legislation for the Bonds and unexpended proceeds of the Bonds and the Series 1988 D Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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 1988 C

Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1988 D Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Prior Bonds, the Series 1988 B Bonds (as defined in the Bond Legislation), the Series 1986 B Bonds (as defined in the Bond Legislation), the Series 1988 D Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, the Series 1988 B Bonds, the Series 1986 B Bonds or the Series 1988 D Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1988 B Bonds, the Series 1988 D Bonds, the Series 1986 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1988 D Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the 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 Bond 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 Bond Legislation, 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 such lien to be on a parity however, with the lien of the holders of the Series 1988 A Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 19____.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 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 1988 D Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1988 D

No. DR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____ ($_____), in annual 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, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the principal of the Issuer's Sewerage System Bond Anticipation Notes, Series 1988; (ii) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. 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 and Supplemental Resolution, duly adopted by the Issuer on _____, and _____, 1988 (collectively called 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 JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS");

(ii) SEWER REVENUE BONDS, SERIES 1988 A, DATED _____, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 A BONDS"); AND

(iii) SEWER REVENUE BONDS, SERIES 1988 C, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 C BONDS").

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN ADDITIONAL OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 B, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1988 B, DATED _____, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 B BONDS").

The Series 1986 A Bonds, Series 1986 B Bonds, Series 1988 A Bonds and Series 1988 B Bonds are herein collectively called the "Prior Bonds."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Series 1986 B and Series 1988 B Bonds to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1986 A, Series 1988 A and Series 1988 C Bonds and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1988 D Bonds Reserve Account), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1988 D Bonds Reserve Account and unexpended Bond proceeds. 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, the 1986 A Bonds, the Series 1988 A and Series 1988 C Bonds (collectively, the "First Lien Bonds"), the Series 1986 B Bonds and the Series 1988 B Bonds (as defined in the Bond Legislation), and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the First Lien Bonds, the Series 1986 B Bonds and the Series 1988 B Bonds, provided however, that so long as there exists in the Series 1988 D Bonds Reserve Account and the reserve accounts established for the First Lien Bonds, the Series 1986 B Bonds, and the Series 1988 B Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds, the First Lien Bonds and the Series 1986 B Bonds, and the Series 1988 B Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

Subject to the registration requirements as 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 Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1988 A Bonds and Series 1988 C Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 19____.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 D Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT 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 the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.10. Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement and Second Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and Second Loan Agreement in the forms 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 and Second Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved.

Section 3.11. "Amended Schedule A" Filing; Tender of Series 1988 B and Series 1988 D Bonds. Upon completion of acquisition and construction of the Project, 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 therefor. In the event such schedule reflects an excess of funding for the Project, or if the Authority is otherwise advised of an excess, the Authority may tender the Series 1988 B and Series 1988 D Bonds to the Issuer for payment in an amount equal to such excess. Notwithstanding the foregoing, if the Issuer has Notes outstanding upon completion of construction of the Project, it will advise the Authority of such fact and submit a second schedule to the Authority upon payment of such Notes, and the Authority will not tender its Series 1988 B or Series 1988 D Bonds for payment until the outstanding Notes have been paid.

ARTICLE IV

BAN AND INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the proceeds of the Grant Receipts, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed $5,000,000. The Notes may be in the form of grant anticipation notes or as evidence of a line of credit from a commercial bank or other lender, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or supplemental resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued in fully registered form, in the denominations, with such terms and secured in the manner set forth in the Indenture, if applicable (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a supplemental resolution), or supplemental resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the Grant Receipts, the Surplus Revenues, the letter of credit proceeds, if any, and other sources described in the Indenture or supplemental resolution. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture and the Supplemental Resolution.

Section 4.04. Letters of Credit. As additional security for any Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $1,000,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding

notes to the bank issuing such letter of credit. Any such letter or letters of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

Section 4.05. Issuance of BAN. In order to pay certain Costs of the Project pending receipt of the proceeds of the Series 1988 C and Series 1988 D Bonds, the Issuer shall issue its BAN, in an aggregate principal amount not to exceed $2,000,000. The BAN shall have such provisions as to execution, authentication, registration, negotiability, transfer and such other terms and provisions as are set forth in connection with the Bonds in Article III hereof, and as shall be further set forth with respect to the BAN in the Supplemental Resolution.

Section 4.06. Form of BAN. The text of the BAN shall be in substantially the following form, with such ommissions, 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 BAN]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1988

No. R-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 _____

_____
($_____), 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 rate on each installment shall run from the original date of delivery of this Note 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 April 1, 1989. Principal installments of this Note 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 Note is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Note is subject to mandatory redemption in whole, within 15 days following receipt by the Issuer of notification from the Authority that it is prepared to purchase the Series 1988 C and Series 1988 D Bonds (as hereinafter defined), or otherwise provide for redemption hereof, at the price of 100% of the principal amount [illegible] interest accrued to the date of such redemption.

This Note constitutes all of the Notes of an issue of Sewerage System Bond Anticipation Notes, Series 1988, of the Issuer (the "Notes") issued in the aggregate principal amount of $1,164,129, and is issued (i) to temporarily pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest hereon during the construction of the Project and for approximately 2 months thereafter; (iii) to fund a reserve account for the Notes; and (iv) to pay certain costs of issuance hereof and related costs. This Note 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 and Supplemental Resolution, duly adopted by the Issuer on September 28, 1988 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof.

This Note is issued concurrently with the Sewer Revenue Bonds, Series 1988 A and Series 1988 B, of the Issuer (the "Bonds"), issued in the aggregate principal amount of $868,656, which Series 1988 A Bonds are senior and prior to the Notes and Series 1988 B Bonds are on parity with the Notes with respect to the lien on and pledge of the Net Revenues (as defined in the Bond Legislation).

This Note is payable from proceeds of the Issuer's Sewer Revenue Bonds, Series 1988 C (the "Series 1988 C Bonds") and Series 1988 D (the "Series 1988 D Bonds"), expected to be purchased by the Authority in accordance with a letter of the Authority dated September 30, 1988, relating to such purchase. In the event the Series 1988 C and Series 1988 D Bonds are not purchased by the Authority in accordance with a letter from the Authority dated September 30, 1988, relating to such purchase. In the event the Series 1988 C and Series 1988 D Bonds are not purchased by the Authority, this Note shall be payable from and secured by a pledge of the Net Revenues on a subordinate basis to the Series 1986 A and Series 1988 A and on a parity with the Series 1986 B and Series 1988 B Bonds, moneys in the Reserve Account (the "BAN Reserve Account"), created under the Bond Legislation for the Notes and unexpended proceeds of the Notes. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds or notes which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Note 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 the proceeds of the Series 1988 C and Series 1988 D Bonds, said special fund provided from the Net

proceeds of the Notes. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Notes, and all other obligations secured by a lien on or payable from the Net Revenues prior to or on a parity with the Notes, provided however, that so long as there exists in the BAN Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Notes in the then current or any succeeding year, and in the respective reserve accounts established for all other obligations outstanding prior to or on a parity with the Notes, 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 Notes for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Notes 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 Note is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Note together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Note, 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 Note, 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 Bond Legislation, 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 Note subject however, to the prior lien thereon in favor of the holders of the Series 1986 A and Series 1988 A Bonds, and the parity lien thereon in favor of the holders of the Series 1986 B and Series 1988 B Bonds.

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 Note have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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 Note.

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

IN WITNESS WHEREOF, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Note to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Note to be dated _____, 1988.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Bond Anticipation Notes, Series 1988, 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Note and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Note on the books kept for registration of the within Note of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

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 established (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 or the Issuer and from each other:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Bond Construction Trust Fund;

(4) Pump Replacement Reserve Fund; and

(5) Connection Reserve Fund.

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

(1) The Sinking Funds established for the Series 1986 A Bonds and the Series 1986 B Bonds (herein collectively called the "Prior Bonds Sinking Funds");

(2) Series 1988 A Bonds Sinking Fund;

(a) Within the Series 1988 A Bonds Sinking Fund, the Series 1988 A Bonds Reserve Account.

(3) Series 1988 B Bonds Sinking Fund;

(a) Within the Series 1988 B Bonds Sinking Fund, the Series 1988 B Bonds Reserve Account.

(4) Series 1988 C Bonds Sinking Fund;

(a) Within the Series 1988 C Bonds Sinking Fund, the Series 1988 C Bonds Reserve Account.

(5) Series 1988 D Bonds Sinking Fund;

(a) Within the Series 1988 D Bonds Sinking Fund, the Series 1988 D Bonds Reserve Account.

(6) BAN Sinking Fund;

(a) Within the BAN Sinking Fund, the BAN 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.

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

(2) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1986 A Bonds Sinking Fund, the Series 1988 A Bonds Sinking Fund and the Series 1988 C Bonds Sinking Fund, such sums as shall be equal to 1/6th of the respective amounts of interest which will become due on the Series 1986 A, Series 1988 A and Series 1988 C Bonds on the next ensuing semiannual interest payment date thereof; provided, that, such payments on account of the Series 1988 A and Series 1988 C Bonds shall commence 7 months prior to the first date of payment of interest on such Series of Bonds for which interest has not been capitalized; and provided further, that in the event the period to elapse between the date of such initial deposit in the Series 1988 A Bonds Sinking Fund or Series 1988 C Bonds 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; provided further, that interest on the Series 1986 A, Series 1988 A and Series 1988 C Bonds shall be paid pro rata, in accordance with the respective principal amounts thereof Outstanding.

(3) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A

and the Series 1988 C Bonds Sinking Fund, such sums as shall be equal to 1/12th of the amount of principal which will mature and become due on the Series 1986 A, Series 1988 A and Series 1988 C Bonds on the next ensuing principal payment date thereof; provided that, such payments on account of the Series 1988 A and Series 1988 C Bonds shall commence 13 months prior to the first date of payment of principal on such Series of Bonds; and provided further, that in the event the period to elapse between the date of such initial deposit in the Series 1988 A Bonds Sinking Fund or Series 1988 C Bonds 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; provided further, that principal of the Series 1986 A, Series 1988 A and Series 1988 C Bonds shall be paid pro rata in accordance with the respective principal amounts Outstanding.

(4) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bonds Reserve Account, the Series 1988 A Bonds Reserve Account, and the Series 1988 C Bonds Reserve Account, such amounts as shall be equal to 1/120 of the Series 1986 A Bonds Reserve Requirement, the Series 1988 A Bonds Reserve Requirement and the Series 1988 C Bonds Reserve Requirement; provided, that such payments on account of the Series 1988 A and Series 1988 C Bonds shall commence 13 months prior to the first date of payment of principal on such Series of Bonds; and provided further, that no further payments shall be made into any such Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Reserve Requirement for such Series of Bonds; provided further, that the reserve accounts established for the Series 1986 A, Series 1988 A and Series 1988 C Bonds shall be funded pro rata, in accordance with the respective principal amounts Outstanding.

(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 established by the 1986 Resolution and continued herein, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept

apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1986 A Bonds Reserve Account, the Series 1988 A Bonds Reserve Account or the Series 1988 C Bonds 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 by Subsection 5.03(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Sinking Fund, the Series 1988 B Bonds Sinking Fund, and the Series 1988 D Bonds Sinking Fund such sums as shall be equal to 1/12th of the amount of principal which will mature and become due on the Series 1986 B Bonds, the Series 1988 B Bonds and the Series 1988 D Bonds on the next ensuing principal payment date thereof; provided that, such payments on account of the Series 1988 B Bonds and Series 1988 D Bonds shall commence 13 months prior to the first date of payment of principal on such Series of Bonds; and provided further, that in the event the period to elapse between the date of such initial deposit in the Series 1988 B Bonds Sinking Fund or Series 1988 D Bonds 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; provided further, that principal of the Series 1986 B, Series 1988 B and Series 1988 D Bonds shall be paid pro rata, in accordance with the respective principal amounts Outstanding.

(7) The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Reserve Account, the Series 1988 B Bonds Reserve Account and the Series 1988 D Bonds Reserve Account, such amounts as shall be equal to 1/120 of the Series 1986 B Bonds Reserve Requirement, the Series 1988 B Bonds Reserve

Requirement; provided, that such payments on account of the Series 1988 B Bonds and Series 1988 D Bonds shall commence 13 months prior to the first date of payment of principal on such Series of Bonds; and provided further, that no further payments shall be made into any such Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Reserve Requirement for such Series of Bonds; provided further, that the reserve accounts established for the Series 1986 B, Series 1988 B and Series 1988 D Bonds shall be funded pro rata, in accordance with the respective principal amounts Outstanding.

In the event the Series 1988 C and Series 1988 D Bonds are not issued prior to April 1, 1989, the payments which would have been made with respect to the Series 1988 C and Series 1988 D Bonds set forth in Section 5.03(2), (3), (4),(6) and (7) hereof shall be made into the BAN Sinking Fund on behalf of the BAN.

Moneys in each Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in each Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several Sinking Funds and Reserve Accounts 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 Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1986 A Bonds Reserve Account, the Series 1988 A Bonds Reserve Account or the Series 1988 C Bonds Reserve Account which result in a reduction in the balance of such Reserve Accounts to below the Reserve Requirements therefor, shall be subsequently restored from the first Net Revenues available after all required payments to the attendant Sinking Funds for payment of debt service thereof have been made in full.

Any withdrawals from the Series 1986 B Bonds Reserve Account, the Series 1988 B Bonds Reserve Account, the Series 1988 D Bonds Reserve Account or the BAN Reserve Account which result in a reduction in the balance of such Reserve Accounts to below the Reserve Requirements therefor, shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1986 A, Series 1988 A and Series 1988 C Bonds Sinking Funds and Reserve Accounts, the Renewal and Replacement Fund and the Series 1986 B, Series 1988 B and Series 1988 C Bonds and BAN Sinking Funds have been made in full.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective Sinking 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 any of the respective Sinking Funds or into the attendant Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Fund and Reserve Account are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Sinking Funds 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

8. The Issuer shall next, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Depository Bank for deposit in the Pump Replacement Fund and the Connection Reserve Fund, the respective sums of $895 and $935.

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 there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Accounts therein, and the sinking funds established for the Prior Bonds 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. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund.

C. 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 the Depository Bank's or Registrar's charges and the Paying Agent fees then due.

D. 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.

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the

subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. Moneys in the Pump Replacement Fund shall be used solely to pay costs of replacing grinder pumps for the System and moneys in the Connection Reserve Fund shall be used solely to pay costs of connecting new customers to the System.

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

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

I. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System, provided that, in the event Notes are issued, Tap Fees may, with the written consent of the Authority be deposited otherwise.

J. In the event that moneys in the Revenue Fund may be inadequate to permit the Issuer to make all of the deposits required by this Section 5.03, the principal of and interest on the Series 1986 A Bonds, the Series 1988 A Bonds and the Series 1988 C Bonds shall be paid pro-rata, in accordance with the respective Outstanding principal amounts thereof, and the Series 1986 B Bonds, the Series 1988 B Bonds, the BAN, if then Outstanding and the Series 1988 D Bonds shall also be paid pro-rata, in accordance with the respective Outstanding principal amounts thereof.

ARTICLE VI

DISPOSITION OF BOND AND BAN PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Series 1988 A and Series 1988 B Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1988 A and Series 1988 B Bonds, the following amounts shall be deposited in the order set forth below:

A. From the proceeds of the Series 1988 A Bonds, there shall first be deposited with the Commission in the Series 1988 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1988 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1988 A Bonds, there shall be deposited with the Commission in the Series 1988 A Bonds Reserve Account and from the proceeds of the Series 1988 B Bonds, there shall be deposited with the Commission in the Series 1988 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. Next, from the proceeds of the Series 1988 A Bonds, there shall first be credited to the Bond Construction Trust Fund and then paid, any and all borrowings by the Issuer (excluding the BAN) 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.

D. The remaining moneys derived from the sale of the Series 1988 A and Series 1988 B Bonds shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

Section 6.02. Application of BAN Proceeds; Pledge of Unexpended BAN Proceeds. From the moneys received from the sale of the BAN, the following amounts shall be deposited in the order set forth below:

A. From the proceeds of the BAN, there shall first be deposited with the Commission in the BAN Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount

necessary to pay interest on the BAN for the period commencing on the date of issuance of the BAN and ending 6 months after the estimated date of completion of construction of the Project.

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

C. The remaining moneys derived from the sale of the BAN shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

Section 6.03. Application of Series 1988 C and Series 1988 D Bonds Proceeds; Pledge of Unexpended Bond Proceeds. The entire proceeds of the Series 1988 C and Series 1988 D Bonds (except for any funding of capitalized interest on the Series 1988 C Bonds, as shall be determined by the Supplemental Resolution) shall be applied to payment of the principal of the BAN and any remaining proceeds shall be deposited in the Bond Construction Trust Fund. Upon such payment of the BAN, all moneys in the BAN Reserve Account shall be transferred to the Series 1988 C and Series 1988 D Bonds Reserve Account so as to satisfy the Reserve Requirements thereof, and all moneys in the BAN Sinking Fund shall be transferred to the Series 1988 C Bonds Sinking Fund.

Section 6.04. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

A. Except as provided in Section 6.04(B) hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Original 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 Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust 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 Bond Construction Trust 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 Bond Construction Trust 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 Bond Construction Trust Fund to the Series 1988 A Bonds Reserve Account, and the Series 1988 C Bonds Reserve Account, pro rata, in accordance with the respective principal amounts thereof, and, when fully funded, to the Series 1988 B Bonds Reserve Account, the Series 1988 D Bonds Reserve Account and the BAN Reserve Account, pro rata, and when all Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon. Notwithstanding the foregoing, if the Authority tenders any of its Series 1988 B or Series 1988 D Bonds to the Issuer pursuant to the provisions of the Supplemental Loan Agreement, such moneys shall be applied to the purchase of such portion of the Series 1988 B or Series 1988 D Bonds.

B. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1988 A and Series 1988 C Bonds, on a parity basis, and thereafter for the Series 1988 B Bonds, the Series 1988 D Bonds and the BAN, on a parity basis. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Until the payment in full of the principal of and interest on the BAN and the Notes when due, and to the extent they do not materially adversely affect Bondholders, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the BAN and the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said BAN or Notes as prescribed in the Indenture; provided, that Section 7.03 and Section 7.09 shall not be applied to the Notes.

Section 7.02. Bonds, BAN and Notes not to be Indebtedness of the Issuer. Neither the Bonds, the BAN nor the Notes 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, BAN or Notes, shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds, BAN or Notes or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Each Series of Bonds. The payment of the debt service of the First Lien Bonds shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System on parity with each other. Payment of the debt service of the Subordinate Bonds and the BAN shall be secured forthwith equally and ratably by a lien on said Net Revenues on parity with each other, but junior and subordinate to the lien on said Net Revenues in favor of the Holders of the First Lien Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the BAN and the

Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts 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 as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. 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 and described in the Order of the Public Service Commission of West Virginia entered June 17, 1988 (Case No. 87-751-S-CN) and such rates are hereby adopted.

Section 7.05. Sale of the System. Except as otherwise required by 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 Bonds and Notes, if any, Outstanding, or to effectively defease this Resolution in accordance with Section 10.01 hereof and, if entered into and not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, 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 at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest 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. With respect to the Notes, following payment of the Bonds, such proceeds in an amount sufficient to pay the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Indenture, prior thereto.

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 Commission for deposit in the 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 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 Bonds then Outstanding without the prior approval and consent in writing of 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 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 in Section 7.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or supplemental resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Subordinate Bonds only may be issued as provided for in Section 7.07 hereof. All obligations

issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds or the Prior Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current. SO LONG AS THE BAN ARE OUTSTANDING, THE ISSUER SHALL NOT ISSUE ANY OBLIGATIONS WHATSOEVER WITH A LIEN ON OR OTHERWISE PAYABLE FROM THE NET REVENUES WITHOUT FIRST OBTAINING THE WRITTEN CONSENT OF THE AUTHORITY TO SUCH ISSUANCE.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds 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 Subordinate Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the First Lien Bonds, unless the Subordinate Bonds are no longer outstanding.

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 Prior Bonds and any other obligations with a lien on the Net Revenues prior to that of the Bonds;

(2) The Bonds then Outstanding;

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

(4) 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 and approved by the Public Service Commission of West Virginia, 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 Bonds and the Prior Bonds 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 Bonds or the Prior 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.

B. Notwithstanding the foregoing, or any provision of Section 7.06 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 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Bonds.

Section 7.08. 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 any Holder of a Bond or Bonds or of a Note or Notes issued pursuant to this Bond Legislation or the

Trustee 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 Consulting Engineers, the Trustee and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, 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 Indenture with respect to said Bonds or Notes, as the case may be, 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 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 or Notes, as the case may be, and shall submit said report to the Trustee and 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.

Section 7.09. 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. 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 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 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, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for obligations prior to or on a parity with the 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 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 schedule described in Section 7.04.

Section 7.10. 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 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 mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, 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 Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

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 7.11. 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 7.12. 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 of the Issuer, 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 7.13. 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 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds or the Notes 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 $100,000 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 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 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant

of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 7.17. 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 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to

the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of 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 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Bonds and the BAN, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Bonds and the BAN and shall be for the equal benefit of all Holders of each respective series of Bonds and BAN, provided however, that the statutory mortgage lien in favor of the Holders of the First Lien Bonds shall be senior and prior to the statutory mortgage lien in favor of the Holders of the Subordinate Bonds and the BAN.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation or the Indenture, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Trustee, if any, 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, and the Indenture, if any, the need for such moneys for the purposes set forth herein and in the Indenture, if any, and the specific restrictions and provisions set forth in this Section 8.01 and in the Indenture.

Except as provided in the Indenture, if any, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Trustee, if any, 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 Trustee, if any, 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 Trustee, if any, and 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 so long as any of the Bonds are Outstanding.

Section 8.02. 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 8.03. Rebate of Excess Investment Earnings to the United States. A. CREATION OF FUNDS. There are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Bond Legislation, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Bond Legislation, other than (i) interest earnings and profits on any funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than $100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on or before the 30th day following the end of each Bond Year or on the preceding business day in the event that such last day is not a business day, or such earlier date as may be required under the Code, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of Debt Service on the next interest payment date and for such purpose, Debt Service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

B. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection C and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsections D and E.

C. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 15 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 15 days following the last day of each Bond Year and within 15 days following the date of the retirement of the Bond, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

(1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

(2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Bonds shall be determined based on the actual Yield of the Bonds during the period between the Closing Date of the Bonds and the date the computation is made (with adjustments for original issue discount or premium).

(4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bond, and no amount may be treated as "negative arbitrage."

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual Debt Service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than $100,000.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period. Not later than 60 days after the retirement of the Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment 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 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 by this Subsection D, 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.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and

that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

F. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of 6 years following the retirement of the Bonds, records of the determinations made pursuant to this Section 8.03.

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, 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.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further 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.

I. REPORTING TO AUTHORITY. The Issuer shall furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with such rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, then the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge durings the Bond Year which would make the Bonds subject to rebate.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Notes; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; 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.

B. 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 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Bond Legislation, any supplemental resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, 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.

C. Each of the following events shall constitute an "Event of Default" with respect to the BAN:

(1) If default occurs in the due and punctual payment of the principal of or interest on any BAN; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the BAN set forth in this Bond Legislation, any supplemental resolution or in the BAN, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a BAN; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note, Bond or BAN as the case may be, 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 Notes, Bonds or BAN, as the case may be, (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 Notes, Bonds or BAN as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes, Bonds or BAN, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders or holders of the BAN, and provided further, that all rights and remedies of the Holders of the Subordinate Bonds shall be subject to those of the Holders of the First Lien Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond or BAN 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 Bonds or BAN, any Registered Owner of a Bond or BAN 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, among other things, to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and the BAN and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and the BAN 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 or BAN shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds and the BAN. 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 construction, 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 BAN and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1988 A and Series 1988 C Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1988 A and Series 1988 C Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1988 A and Series 1988 C Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1988 A and Series 1988 C Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1988 A and Series 1988 C Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents 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 1988 A and Series 1988 C Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1988 A and Series 1988 C Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1988 A and Series 1988 C Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1988 A and Series 1988 C Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said

Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1988 B and Series 1988 D Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1988 B and Series 1988 D Bonds, the principal 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 1988 B and Series 1988 D Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1988 B and Series 1988 D Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1988 B and Series 1988 D Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents 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 such Series 1988 B and Series 1988 D Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1988 B and Series 1988 D Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of said Series 1988 B and Series 1988 D Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of said Series 1988 B and Series 1988 D Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when

due the principal installments of said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of BAN. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all BAN, the principal of and interest due or to become due thereon, at the times and in the manner set forth therein, then with respect to the BAN only, this Bond Legislation and the pledge of Net Revenues and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the BAN shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 10.04. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to the Notes only, this Bond Legislation, the Indenture, if any, and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. 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 Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Prior Bonds, Notes or Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes 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 any series of Bonds or Notes respectively, 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 or Noteholder 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 and the Notes from gross income of the Holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds and Notes, 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, the Indenture, if any, the Bonds or the Notes, if any.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a certificate of convenience and necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Ohio County Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The respective maximum amounts of the Bonds and Notes to be issued;

(b) The respective maximum interest rates and terms of the Bonds and the Notes originally authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of convenience and necessity is to be filed with the Public Service Commission of West Virginia.

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

Adopted this 28th day of September, 1988.

Chairman, Public Service Board

Member, Public Service Board

Member, Public Service Board

CERTIFICATION

Certified a true copy of a Resolution adopted by the Public Service Board of Ohio County Public Service District on the 28th day of September, 1988.

Dated: September 30, 1988.

[SEAL]

Secretary, Public Service Board

09/29/88
OCPII2/3-A/A

"EXHIBIT A"

[Included as Document Nos. 3 and 4 of Bond Transcript]

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1989 A and Series 1989 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION REDESIGNATING THE SEWER REVENUE BONDS, SERIES 1988 C AND SERIES 1988 D AS SERIES 1989 A AND SERIES 1989 B, RESPECTIVELY; PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1989 A AND SERIES 1989 B, OF OHIO COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING LOAN AGREEMENTS AND SUPPLEMENTAL LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO 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 Ohio County Public Service District (the "Issuer"), has duly and officially adopted a bond and notes resolution, effective September 28, 1988 (the "Bond and Notes Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 A, NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 B, NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 C, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 D, NOT MORE THAN $2,000,000 OF BOND ANTICIPATION NOTES, SERIES 1988, AND NOT MORE THAN $5,000,000 INTERIM CONSTRUCTION

FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS, BOND ANTICIPATION NOTES AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE, IF APPLICABLE, SECURING THE NOTES; APPROVING AND AUTHORIZING LOAN AGREEMENTS AND SUPPLEMENTAL LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH SERIES 1988 A BONDS, SERIES 1988 B BONDS, BOND ANTICIPATION NOTES AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Series 1988 C Bonds and the Series 1988 D Bonds are hereby redesignated as the Series 1989 A Bonds and the Series 1989 B Bonds to reflect the calendar year of issuance and to minimize confusion relating to the several series of Bonds Outstanding; all references to "Series 1988 C" in the Resolution are amended by inserting "Series 1989 A" each place they appear; and all references to "Series 1988 D" in the Resolution are amended by inserting "Series 1989 B" each place they appear;

WHEREAS, the Bond and Notes Resolution provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed $4,500,000, to be issued in four series, of which the Series 1988 A Bonds in the principal amount of $694,925 and the Series 1988 B Bonds in the principal amount of $173,731 have heretofore been issued and which Series 1989 A Bonds to be in an aggregate principal amount of not more than $2,000,000 (the "Series 1989 A Bonds"), and Series 1989 B Bonds to be in an aggregate principal amount of not more than $1,000,000 (the "Series 1989 B Bonds") have been authorized, and has authorized the execution and delivery of a loan agreement relating to the Series 1989 A Bonds dated March 29, 1989, and a supplemental loan agreement relating to the Series 1989 B Bonds, also dated March 29, 1989 (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond and Notes Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the

Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 1989 A and Series 1989 B Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement;

WHEREAS, the Issuer wishes to authorize the issuance and delivery of the Series 1989 A Bonds and the Series 1989 B Bonds at this time;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Series 1989 A and Series 1989 B Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 1989 A and Series 1989 B Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF OHIO COUNTY PUBLIC SERVICE DISTRICT:

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

(A) The Sewer Revenue Bonds, Series 1989 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,013,841. The Series 1989 A Bonds shall be dated the date of delivery thereof, shall finally mature April 1, 2029, shall bear interest at the rate of 8.4% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1989, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1989 A

Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached to the Series 1989 A Bonds and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1989 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $150,288. The Series 1989 B Bonds shall be dated the date of delivery thereof, shall finally mature April 1, 2029, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1989 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached to the Series 1989 B Bonds and to the Supplemental Loan Agreement and incorporated therein by reference.

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

Section 3. The Issuer does hereby approve, accept and ratify the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Chairman of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby ratified and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds 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 One Valley Bank, National Association, in substantially the form attached hereto, and the execution and delivery by the Chairman of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 6. The Issuer does hereby appoint The First National Bank & Trust Company of Wheeling, Wheeling, West Virginia, as Depository Bank under the Bond and Notes Resolution.

Section 7. All proceeds of the Series 1989 A Bonds and Series 1989 B Bonds shall be applied to payment of the principal of the BAN. Upon such payment, BAN proceeds in the amount of $44,382.42 previously deposited in the BAN Sinking Fund, as capitalized interest, shall be applied to interest accrued on the BAN, and the balance remaining in such fund shall be transferred by the Bond Commission to the Series 1989 A Bonds Sinking Fund, as capitalized interest on the Series 1989 A Bonds.

Section 8. Upon payment of the BAN and all interest accrued thereon, all moneys in the BAN Reserve Account shall be transferred as follows:

(a) To the Series 1989 A Bonds Reserve Account, the sum of $89,000;

(b) To the Series 1989 B Bonds Reserve Account, the sum of $3,860;

(c) To the Bond Construction Trust Fund, the Balance of moneys remaining in the BAN Reserve Account.

Section 9. The Issuer hereby determines to pay, on the date of delivery of the Bonds, and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, including, but not limited to, all temporary borrowings from West Virginia Water Development Authority.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond and Notes Resolution approved and provided for, to the end that the Bonds may be delivered on or about April 3, 1989, to the Authority pursuant to the Loan Agreement.

Section 11. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the Bond Construction Trust Fund under the Investment Agreement dated

February 9, 1999, between Wheeling Dollar Bank and The Old National Bank of Martinsburg and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be so invested until further directed by the Issuer.

Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. It will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

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

Adopted this 29th day of March, 1989.

OHIO COUNTY PUBLIC SERVICE DISTRICT

James C. Boyd Jr.
Chairman

03/29/89
OCT01.B3
67015/89002

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1989 A

No. AR-1 $1,013,841

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 THIRTEEN THOUSAND EIGHT HUNDRED FORTY-ONE DOLLARS ($1,013,841), in installments on October 1 of each year (except for the final installment due April 1, 2029) 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 rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1989. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated March 29, 1989.

This Bond is issued to refund and pay a portion of the principal of the Issuer's Sewerage System Bond Anticipation Notes,

Series 1988 (the "BAN"), heretofore issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) paying interest on the BAN until paid, and thereafter on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than six months thereafter; (iii) funding a reserve account for the Bonds; and (iv) paying certain costs of issuance of the BAN and the Bonds and related costs. 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 by the Issuer on September 28, 1988, and a Supplemental Resolution, duly adopted by the Issuer on March 29, 1989 (collectively called 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 concurrently with the Sewer Revenue Bonds, Series 1989 B, of the Issuer (the "Series 1989 B Bonds"), issued in the aggregate principal amount of $150,288, which Series 1989 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 AND SEWER REVENUE BONDS, SERIES 1988 A, DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $694,925 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Prior Bonds to be derived from the operation of the System, moneys in the Reserve Account (the "Series 1989 A Bonds Reserve Account"), created under the Bond Legislation for the Bonds and unexpended proceeds of the Bonds and the Series 1989 B Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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 1989 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1989 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Prior Bonds, the Series 1988 B Bonds (as defined in the Bond Legislation), the Series 1986 B Bonds (as defined in the Bond Legislation), the Series 1989 B Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, the Series 1988 B Bonds, the Series 1986 B Bonds or the Series 1989 B Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 1989 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1988 B Bonds, the Series 1989 B Bonds, the Series 1986 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1989 B Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the 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 Bond 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 payment of the

BAN, 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, such lien to be on a parity however, with the lien of the holders of the Series 1986 A and the Series 1988 A Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated April 3, 1989.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1989 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

Series 14

Ohio County Public Service District
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
39 Principal Payments
Closing Date: 03-Apr-89

Date	Coupon	Principal	Interest	Debt Service 8.40% Bonds
01-Oct-89			42,108.20	42,108.20
01-Oct-90			85,162.64	85,162.64
01-Oct-91	8.40%	3,830.12	85,162.64	88,992.77
01-Oct-92	8.40%	4,151.85	84,840.91	88,992.77
01-Oct-93	8.40%	4,500.61	84,492.16	88,992.77
01-Oct-94	8.40%	4,878.66	84,114.11	88,992.77
01-Oct-95	8.40%	5,288.47	83,704.30	88,992.77
01-Oct-96	8.40%	5,732.70	83,260.07	88,992.77
01-Oct 97	8.40%	6,214.25	82,778.52	88,992.77
01 Oct-98	8.40%	6,736.24	82,256.52	88,992.77
01 Oct-99	8.40%	7,302.09	81,690.68	88,992.77
01-Oct-2000	8.40%	7,915.46	81,077.31	88,992.77
01-Oct-2001	8.40%	8,580.36	80,412.41	88,992.77
01-Oct-2002	8.40%	9,301.11	79,691.66	88,992.77
01-Oct-2003	8.40%	10,082.40	78,910.36	88,992.77
01-Oct-2004	8.40%	10,929.33	78,063.44	88,992.77
01-Oct-2005	8.40%	11,847.39	77,145.38	88,992.77
01-Oct-2006	8.40%	12,842.57	76,150.20	88,992.77
01-Oct-2007	8.40%	13,921.35	75,071.42	88,992.77
01-Oct-2008	8.40%	15,090.74	73,902.03	88,992.77
01-Oct-2009	8.40%	16,358.36	72,634.41	88,992.77
01-Oct-2010	8.40%	17,732.46	71,260.30	88,992.77
01-Oct-2011	8.40%	19,221.99	69,770.78	88,992.77
01-Oct-2012	8.40%	20,836.64	68,156.13	88,992.77
01-Oct-2013	8.40%	22,586.91	66,405.85	88,992.77
01-Oct-2014	8.40%	24,484.22	64,508.55	88,992.77
01-Oct-2015	8.40%	26,540.89	62,451.88	88,992.77
01-Oct-2016	8.40%	28,770.32	60,222.44	88,992.77
01-Oct-2017	8.40%	31,187.03	57,805.74	88,992.77
01-Oct-2018	8.40%	33,806.74	55,186.02	88,992.77
01-Oct-2019	8.40%	36,646.51	52,346.26	88,992.77
01-Oct-2020	8.40%	39,724.82	49,267.95	88,992.77
01-Oct-2021	8.40%	43,061.70	45,931.07	88,992.77
01-Oct-2022	8.40%	46,678.88	42,313.88	88,992.77
01-Oct-2023	8.40%	50,599.91	38,392.86	88,992.77
01-Oct-2024	8.40%	54,850.30	34,142.47	88,992.77
01-Oct-2025	8.40%	59,457.73	29,535.04	88,992.77
01-Oct-2026	8.40%	64,452.18	24,540.59	88,992.77
01-Oct-2027	8.40%	69,866.16	19,126.61	88,992.77
01-Oct-2028	8.40%	75,734.92	13,257.85	88,992.77
01-Apr-2029	8.40%	82,096.65	3,448.06	85,544.71
		1,013,841.00	2,580,699.69	3,594,540.69

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:

_____

03/29/89
67015/89002
OCT01.XX3

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1989 B

No. BR-1 $150,288

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 HUNDRED FIFTY THOUSAND TWO HUNDRED EIGHTY-EIGHT DOLLARS ($150,288), in annual installments on October 1 of each year (except for the final installment due April 1, 2029) as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated March 29, 1989.

This Bond is issued to refund and pay a portion of the principal of the Issuer's Sewerage System Bond Anticipation Notes, Series 1988 (the "BAN"), heretofore issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) funding a reserve account for the Bonds of this Series (the "Bonds"); and (iii) paying certain costs of issuance of the BAN and the Bonds and related costs. 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 by the Issuer on September 28, 1988, and a Supplemental

Resolution duly adopted by the Issuer on March 29, 1989 (collectively called 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 JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS");

(ii) SEWER REVENUE BONDS, SERIES 1988 A, DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $694,925 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 A BONDS"); AND

(iii) SEWER REVENUE BONDS, SERIES 1989 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,013,841 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1989 A BONDS").

THIS BOND IS ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN ADDITIONAL OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 B, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1988 B, DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $173,731 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1988 B BONDS").

The Series 1986 A Bonds, Series 1986 B Bonds, Series 1988 A Bonds and Series 1988 B Bonds are herein collectively called the "Prior Bonds."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) on a parity basis with the Series 1986 B and Series 1988 B Bonds to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1986 A, Series 1988 A and Series 1989 A Bonds and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1989 B Bonds Reserve Account), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1989 B Bonds Reserve Account and unexpended Bond proceeds. 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, the 1986 A Bonds, the Series 1988 A and Series 1989 A Bonds (collectively, the "First Lien Bonds"), the Series 1986 B Bonds and the Series 1988 B Bonds (as defined in the Bond Legislation), and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the First Lien Bonds, the Series 1986 B Bonds and the Series 1988 B Bonds, provided however, that so long as there exists in the Series 1989 B Bonds Reserve Account and the reserve accounts established for the First Lien Bonds, the Series 1986 B Bonds, and the Series 1988 B Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds, the First Lien Bonds and the Series 1986 B Bonds, and the Series 1988 B Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

Subject to the registration requirements as 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 payment of the BAN and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1986 A Bonds, the Series 1988 A Bonds and the Series 1989 A Bonds, and on parity with the lien in favor of the registered owners of the Series 1986 B Bonds and the Series 1988 B Bonds.

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 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, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated April 3, 1989.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1989 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

Ohio County Public Service District
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
39 Principal Payments
Closing Date: 03-Apr-89

Date	Interest Free Loan
01-Oct-89	
01-Oct-90	
01-Oct-91	3,853.48
01-Oct-92	3,853.54
01-Oct-93	3,853.54
01-Oct-94	3,853.54
01-Oct-95	3,853.54
01-Oct-96	3,853.54
01-Oct-97	3,853.54
01-Oct-98	3,853.54
01-Oct-99	3,853.54
01-Oct-2000	3,853.54
01-Oct-2001	3,853.54
01-Oct-2002	3,853.54
01-Oct-2003	3,853.54
01-Oct-2004	3,853.54
01-Oct-2005	3,853.54
01-Oct-2006	3,853.54
01-Oct-2007	3,853.54
01-Oct-2008	3,853.54
01-Oct-2009	3,853.54
01-Oct-2010	3,853.54
01-Oct-2011	3,853.54
01-Oct-2012	3,853.54
01-Oct-2013	3,853.54
01-Oct-2014	3,853.54
01-Oct-2015	3,853.54
01-Oct-2016	3,853.54
01-Oct-2017	3,853.54
01-Oct-2018	3,853.54
01-Oct-2019	3,853.54
01-Oct-2020	3,853.54
01-Oct-2021	3,853.54
01-Oct-2022	3,853.54
01-Oct-2023	3,853.54
01-Oct-2024	3,853.54
01-Oct-2025	3,853.54
01-Oct-2026	3,853.54
01-Oct-2027	3,853.54
01-Oct-2028	3,853.54
01-Apr-2029	3,853.54
	150,288.00

EXHIBIT 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 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:

_____

03/29/89
67015/89002
OCTO1.YY3

OHIO COUNTY PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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OHIO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,081,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF OHIO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation"), supplemental to the Prior Resolutions (as hereinafter defined), is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of a sanitary sewage collection and transmission system in and adjacent to the Village of Valley Grove, Ohio County, with approximately 26,000 feet of gravity sewers, a lift station and approximately 2,000 feet of force main, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than $1,081,000 (the "Series 1997 A Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 1997 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1997 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1997 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1997 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 1997 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the Issuer and the Authority (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 1997 A Bonds as to liens, pledge and source of and security for payment, being (1) the Sewer Revenue Bonds, Series 1986 A, dated May 16, 1986, issued in the original aggregate principal amount of $100,320 (the "Series 1986 A Bonds"), (2) the Sewer Revenue Bonds, Series 1986 B, dated May 16, 1986, issued in the original aggregate principal amount of $49,961 (the "Series 1986 B Bonds"), (3) the Sewer Revenue Bonds, Series 1988 A, dated September 30, 1988, issued in the original aggregate principal amount of $694,925 (the "Series 1988 A Bonds"), (4) the Sewer Revenue Bonds, Series 1988 B, dated September 30, 1988, issued in the original aggregate principal amount of $173,731 (the "Series 1988 B Bonds"), (5) the Sewer Revenue Bonds, Series 1989 A, dated April 3, 1989, issued in the original aggregate principal amount of $1,013,841 (the "Series 1989 A Bonds"), and (6) the Sewer Revenue Bonds, Series 1989 B, dated April 3, 1989, issued in the original principal amount of $150,288 (the "Series 1989 B Bonds"). The Series 1986 A Bonds, the Series 1988 A Bonds and the Series 1989 A Bonds are hereinafter collectively called the "First Lien Bonds" and the Series 1986 B Bonds, the Series 1988 B Bonds and the Series 1989 B Bonds are hereinafter collectively called the "Second Lien Bonds." The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds".

The Series 1997 A Bonds shall be issued on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the coverage requirements for issuance of parity bonds of the First Lien Bonds and the resolutions authorizing the First Lien Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the Series 1997 A Bonds, the Issuer will obtain the written consent of the Holders of the First Lien Bonds to the issuance of the Series 1997 A Bonds on a parity with the First Lien Bonds. Prior to the issuance of the Series 1997 A Bonds, the Issuer will obtain the written consent of the Holders of the Second Lien Bonds to the issuance of the Series 1997 A Bonds on a senior and prior basis to the Second Lien Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs

of operation and maintenance of the System and the principal of and interest on the Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1997 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 1997 A Bonds or such final order will not be subject to appeal or rehearing.

J. Pursuant to the Act, the Council has approved the Project and authorized the Authority to make a loan to the Issuer from the West Virginia Infrastructure Fund.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1997 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 1997 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1997 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

"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 1997 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1997 A Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1997 A Bonds from the Authority.

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

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

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

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"First Lien Bonds" means, collectively, the Series 1986 A Bonds, the Series 1988 A Bonds and the Series 1989 A Bonds.

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

"Governing Body" or "Board" means the public service board of the Issuer, as it may now or hereafter be constituted.

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

"Grants" means all moneys received by the Issuer on account of any Grant for the Project.

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

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" means Ohio County Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Ohio County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 1997 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 1997 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1997 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1997 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 A Bonds.

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

or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); and (iii) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 1997 A Bonds in the Supplemental Resolution with the written consent of the Authority and the Council.

"Prior Bonds" means, collectively, the First Lien Bonds and the Second Lien Bonds, described in Section 1.02G hereof.

"Prior Resolutions" means, collectively, the resolution and the supplemental resolution of the Issuer duly adopted May 15, 1986, authorizing the Series 1986 A Bonds and the Series 1986 B Bonds, the resolution and the supplemental resolution of the Issuer duly adopted September 28, 1988, authorizing the Series 1988 A Bonds and the Series 1988 B Bonds, and the resolution and the supplemental resolution of the Issuer duly adopted March 29, 1989.

"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.

"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 State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 1997 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 1997 A Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued hereby.

"Second Lien Bonds" means, collectively, the Series 1986 B Bonds, the Series 1988 B Bonds and the Series 1989 B Bonds.

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

"Series 1986 A Bonds" means the Sewer Revenue Bonds, Series 1986 A, of the Issuer, described in Section 1.02G hereof.

"Series 1986 B Bonds" means the Sewer Revenue Bonds, Series 1986 B, of the Issuer, described in Section 1.02G hereof.

"Series 1988 A Bonds" means the Sewer Revenue Bonds, Series 1988 A, of the Issuer, described in Section 1.02G hereof.

"Series 1988 B Bonds" means the Sewer Revenue Bonds, Series 1988 B, of the Issuer, described in Section 1.02G hereof.

"Series 1989 A Bonds" means the Sewer Revenue Bonds, Series 1989 A, of the Issuer, described in Section 1.02G hereof.

"Series 1989 B Bonds" means the Sewer Revenue Bonds, Series 1989 B, of the Issuer, described in Section 1.02G hereof.

"Series 1997 A Bonds" means the not more than $1,081,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 1997 A Bonds Reserve Account" means the Series 1997 A Bonds Reserve Account established in the Series 1997 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 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 1997 A Bonds in the then current or any succeeding year.

"Series 1997 A Bonds Sinking Fund" means the Series 1997 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 1997 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 1997 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 1997 A Bonds, and not so included, may be included in another Supplemental Resolution.

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

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

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $2,479,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1997 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated to be $2,479,000, of which approximately $1,081,000 will be from proceeds of the Series 1997 A Bonds, approximately $1,250,000 will be from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and approximately $148,000 will be from a grant by the Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1997 A Bonds, funding a reserve account for the Series 1997 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1997 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 1997 A Bonds of the Issuer. The Series 1997 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $1,081,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 A Bonds remaining after funding of the Series 1997 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1997 A Bonds, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 1997 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 1997 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1997 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1997 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1997 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1997 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. The Series 1997 A Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Series 1997 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 1997 A Bonds shall cease to be such officer of the Issuer before the Series 1997 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1997 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1997 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms 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 Series 1997 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1997 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1997 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1997 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account. No holder or holders of the Series 1997 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1997 A Bonds or the interest 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 1997 A 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 such Net Revenues in favor of the Holder of the First Lien Bonds and senior and prior to the lien on such Net Revenues in favor of the Holder of the Second Lien Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 1997 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1997 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1997 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1997 A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1997 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 1997 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1997 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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, 199____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with no interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 199___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia,

including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS"), (2) SEWER REVENUE BONDS, SERIES 1988 A, DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $694,925 (THE "SERIES 1988 A BONDS"), AND (3) SEWER REVENUE BONDS, SERIES 1989 A, DATED APRIL 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,013,841 (THE "SERIES 1989 A BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, TO THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1986 B, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS"), (2) SEWER REVENUE BONDS, SERIES 1988 B, DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $173,731 (THE "SERIES 1988 B BONDS"), AND (3) SEWER REVENUE BONDS, SERIES 1989 B, DATED APRIL 3 , 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,288 (THE "SERIES 1989 B BONDS"). THE SERIES 1986 A BONDS, THE SERIES 1988 A BONDS AND THE SERIES 1989 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "FIRST LIEN BONDS." THE SERIES 1986 B BONDS, THE SERIES 1988 B BONDS AND THE SERIES 1989 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "SECOND LIEN BONDS." THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds

which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 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 or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 1997 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 or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the

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

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

IN WITNESS WHEREOF, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 199__.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 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: _____, 199____.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1997 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule B" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the Council a schedule in substantially the form attached to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolutions) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1986 A Bonds Sinking Fund (established by the Prior Resolutions);

(2) Within the Series 1986 A Bonds Sinking Fund, the Series 1986 A Bonds Reserve Account (established by the Prior Resolutions);

(3) Series 1986 B Bonds Sinking Fund (established by the Prior Resolutions);

(4) Within the Series 1986 B Bonds Sinking Fund, the Series 1986 B Bonds Reserve Account (established by the Prior Resolutions);

(5) Series 1988 A Bonds Sinking Fund (established by the Prior Resolutions);

(6) Within the Series 1988 A Bonds Sinking Fund, the Series 1988 A Bonds Reserve Account (established by the Prior Resolutions);

(7) Series 1988 B Bonds Sinking Fund (established by the Prior Resolutions);

(8) Within the Series 1988 B Bonds Sinking Fund, the Series 1988 B Bonds Reserve Account (established by the Prior Resolutions);

(9) Series 1989 A Bonds Sinking Fund (established by the Prior Resolutions);

(10) Within the Series 1989 A Bonds Sinking Fund, the Series 1989 A Bonds Reserve Account (established by the Prior Resolutions);

(11) Series 1989 B Bonds Sinking Fund (established by the Prior Resolutions);

(12) Within the Series 1989 B Bonds Sinking Fund, the Series 1989 B Bonds Reserve Account (established by the Prior Resolutions);

(13) Series 1997 A Bonds Sinking Fund; and

(14) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 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.

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 A Bonds Sinking Fund the amounts required by the Prior Resolutions to pay interest on and principal of the Series 1986 A Bonds, (ii) for deposit in the Series 1988 A Bonds Sinking Fund the amounts required by the Prior Resolutions to pay interest on and principal of the Series 1988 A Bonds, (iii) for deposit in the Series 1989 A Bonds Sinking Fund the amounts required by the Prior Resolutions to pay interest on and principal of the

Series 1989 A Bonds, and (iv) commencing 3 months prior to the first date of payment of principal of the Series 1997 A Bonds, for deposit in the Series 1997 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 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 1997 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 A Bonds Reserve Account the amount required by the Prior Resolutions, (ii) for deposit in the Series 1988 A Bonds Reserve Account the amount required by the Prior Resolutions, (iii) for deposit in the Series 1989 A Bonds Reserve Account the amount required by the Prior Resolutions, and (iv) commencing 3 months prior to the first date of payment of principal of the Series 1997 A Bonds, if not fully funded upon issuance of the Series 1997 A Bonds, for deposit in the Series 1997 A Bonds Reserve Account, an amount equal to 1/120th of the Series 1997 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1997 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 1997 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund (as previously set forth in the Prior Resolutions and not in addition thereto), 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 any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the

maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 B Bonds Sinking Fund the amount required by the Prior Resolutions to pay principal of the Series 1986 B Bonds, (ii) for deposit in the Series 1988 B Bonds Sinking Fund the amount required by the Prior Resolutions to pay principal of the Series 1988 B Bonds, and (iii) for deposit in the Series 1989 B Bonds Sinking Fund the amount required by the Prior Resolutions to pay principal of the Series 1989 B Bonds.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 B Bonds Reserve Account the amount required by the Prior Resolutions, (ii) for deposit in the Series 1988 B Bonds Reserve Account the amount required by the Prior Resolutions, and (iii) for deposit in the Series 1989 B Bonds Reserve Account the amount required by the Prior Resolutions.

Moneys in the Series 1997 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1997 A Bonds as the same shall become due. Moneys in the Series 1997 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1997 A Bonds as the same shall come due, when other moneys in the Series 1997 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 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 Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 1997 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1997 A Bonds Reserve Account which result in a reduction in the balance of the Series 1997 A Bonds Reserve Account to below the Series 1997 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 1997 A Bonds are issued, provision shall be made for additional payments into the respective sinking

funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 1997 A Bonds Sinking Fund or the Series 1997 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1997 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 First Lien Bonds and the Series 1997 A Bonds, and thereafter, with respect to the Second Lien Bonds, all in accordance with the respective principal amounts then outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required hereunder.

Moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 A Bonds Sinking Fund, including the Series 1997 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1997 A 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. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1997 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and

there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

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

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

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

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

I. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1997 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 A Bonds, there shall first be deposited with the Commission in the Series 1997 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1997 A Bonds for the period commencing on the date of issuance of the Series 1997 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1997 A Bonds, there shall be deposited with the Commission in the Series 1997 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1997 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1997 A Bonds, such moneys shall be deposited with the Depository Bank in the Bond 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 transferred or expended, are hereby pledged as additional security for the Series 1997 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 1997 A Bonds shall be applied as directed by the Council and the Authority.

Section 6.02. Disbursements From the Bond Construction Trust Fund. The Issuer shall each month provide the Council and the Authority with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund shall be made only after submission to, and approval from, the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

(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.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1997 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1997 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional,. statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1997 A Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1997 A 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 1997 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holder of the First Lien Bonds and senior and prior to the lien on such Net Revenues in favor of the Holder of the Second Lien Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Series 1997 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. 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 and described in the Final Order of the Public Service Commission of West Virginia entered June 19, 1996, in Case No. 95-1080-PSD-42T, and such rates are hereby adopted.

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 the System, or any part thereof, except as provided in the Prior Resolutions. Additionally, so long as the Series 1997 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged,

leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1997 A Bonds, immediately be remitted to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, and, with the written permission of the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 1997 A Bonds. Any balance remaining after the payment of the Series 1997 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with 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 Commission for deposit in the Sinking Funds 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 Sinking Funds 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 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 1997 A Bonds. All obligations issued by the Issuer after the issuance of the Series 1997 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1997 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1997 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 1997 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1997 A Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority and the Council under the conditions and in the manner herein provided (unless less restrictive then the provisions of the Prior Resolutions).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1997 A Bonds.

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity

Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 1997 A Bonds on such revenues. The Issuer shall not

issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1997 A 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 Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Council, the Authority, or any other original purchaser of the Series 1997 A Bonds, and shall mail in each year to any Holder or Holders of the Series 1997 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with OMB Circular 128 and the Single Audit Act and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1997 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 1997 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction of the Project, the Issuer shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. 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. 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 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 1997 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1997 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with or junior to the Series 1997 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 1997 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by 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 mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds, 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 Council and to any Holder of any Bonds, or anyone acting for and in 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 in compliance with OMB Circular 128 and the Single Audit Act, the report of which audit shall be submitted to the Authority and the Council and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, this Bond Legislation and the Loan Agreement and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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 as Exhibit C, and forward a copy of such report to the Authority and the Council by the 15th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To

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

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

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for 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, 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.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other

means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all Federal and state requirements and standards.

The Issuer 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 Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1997 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1997 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1997 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the

Project, or if the Series 1997 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1997 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1997 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holder of the First Lien Bonds and senior and prior to the statutory mortgage lien in favor of the Holder of the Second Lien Bonds.

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

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

Section 7.21. Securities Laws Compliance. The Issuer 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. A. The Issuer shall, simultaneously with the delivery of the Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer will submit all proposed change orders to the Council for written approval. The Issuer will obtain the written approval of the Council before expending any proceeds of the Series 1997 A Bonds held in "contingency" as set forth in the final Schedule B to the Loan Agreement. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 1997 A Bonds made available due to bid or construction or project underruns.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 1997 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1997 A Bonds which would cause the Series 1997 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 1997 A Bonds) so that the interest, if any, on the Series 1997 A Bonds will be and remain excluded from gross income

for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 1997 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 1997 A 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.

If the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for any exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1997 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all

funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

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 1997 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 1997 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 1997 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1997 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holder of the Series 1997 A Bonds shall be on a parity with the Holder of the First Lien Bonds and senior and prior to the Holder of the Second Lien Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after

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

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

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

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

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

court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

[RESERVED]

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1997 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1997 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1997 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 1997 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 1997 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1997 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 1997 A Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed; Prior Resolution. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Ohio County Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 1997 A Bonds to be issued;

(b) The maximum interest rate and terms of the Series 1997 A Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

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

Adopted this 8th day of October, 1997.

James C. Boyd Jr.
Chairman

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of OHIO COUNTY PUBLIC SERVICE DISTRICT on the 8th day of October, 1997.

Dated: October 15, 1997.

[SEAL]

Secretary

10/02/97
670150/96001

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

OHIO COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF OHIO COUNTY PUBLIC SERVICE DISTRICT; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Ohio County Public Service District (the "Issuer"), has duly and officially adopted a bond resolution, effective October 8, 1997 (the "Resolution") entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF OHIO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,081,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND

DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Resolution when used herein;

WHEREAS, the Resolution provides for the issuance of Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund) (the "Bonds" or the "Series 1997 A Bonds"), of the Issuer, in an aggregate principal amount not to exceed $1,081,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price 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 amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates and the sale price 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 OHIO COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,081,000. The Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2037, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, and ending June 1, 2037, and in the amounts as set forth in "Schedule X" and "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds.

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

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

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

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

Section 6. The Issuer does hereby appoint and designate WesBanco Elm Grove, Elm Grove, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. Series 1997 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 1997 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 1997 A Bonds shall be deposited in the Bond 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 1997 A Bonds.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 1997 A Bonds hereby and by the Resolution approved and provided for, to the end that the Series 1997 A Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about October 15, 1997.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 1997 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed by the Issuer. Moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Series 1997 A Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Series 1997 A Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

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

Adopted this 8th day of October, 1997.

OHIO COUNTY PUBLIC SERVICE DISTRICT

James C. Boyd Jr.
Chairman

Member

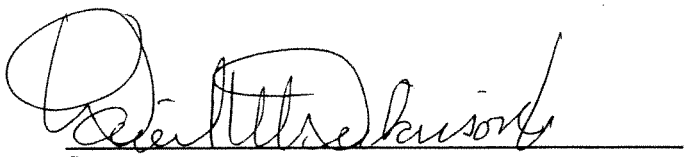
Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of OHIO COUNTY PUBLIC SERVICE DISTRICT on the 8th day of October, 1997.

Dated: October 15, 1997.

[SEAL]



Secretary

09/09/97
670150/96001

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
OHIO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1997 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $1,081,000

KNOW ALL MEN BY THESE PRESENTS: That OHIO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Ohio 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 EIGHTY-ONE THOUSAND DOLLARS ($1,081,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with no interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated October 15, 1997.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on October 8, 1997, and a

Supplemental Resolution duly adopted by the Issuer on October 8, 1997 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1986 A, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,320 (THE "SERIES 1986 A BONDS"), (2) SEWER REVENUE BONDS, SERIES 1988 A, DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $694,925 (THE "SERIES 1988 A BONDS"), AND (3) SEWER REVENUE BONDS, SERIES 1989 A, DATED APRIL 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,013,841 (THE "SERIES 1989 A BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, TO THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1986 B, DATED MAY 16, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,961 (THE "SERIES 1986 B BONDS"), (2) SEWER REVENUE BONDS, SERIES 1988 B, DATED SEPTEMBER 30, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $173,731 (THE "SERIES 1988 B BONDS"), AND (3) SEWER REVENUE BONDS, SERIES 1989 B, DATED APRIL 3 , 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,288 (THE "SERIES 1989 B BONDS"). THE SERIES 1986 A BONDS, THE SERIES 1988 A BONDS AND THE SERIES 1989 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "FIRST LIEN BONDS." THE SERIES 1986 B BONDS, THE SERIES 1988 B BONDS AND THE SERIES 1989 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "SECOND LIEN BONDS." THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 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 or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 1997 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 or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, OHIO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated October 15, 1997.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 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: October 15, 1997.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$26,702	10-15-97	(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

SCHEDULE OF ANNUAL DEBT SERVICE

Ohio County Public Service District, West Virginia
$1,081,000 Infrastructure Fund Loan
40 Years, 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/1998	6,929.49	-	6,929.49
12/01/1998	6,929.49	-	6,929.49
3/01/1999	6,929.49	-	6,929.49
6/01/1999	6,929.49	-	6,929.49
9/01/1999	6,929.49	-	6,929.49
12/01/1999	6,929.49	-	6,929.49
3/01/2000	6,929.49	-	6,929.49
6/01/2000	6,929.49	-	6,929.49
9/01/2000	6,929.49	-	6,929.49
12/01/2000	6,929.49	-	6,929.49
3/01/2001	6,929.49	-	6,929.49
6/01/2001	6,929.49	-	6,929.49
9/01/2001	6,929.49	-	6,929.49
12/01/2001	6,929.49	-	6,929.49
3/01/2002	6,929.49	-	6,929.49
6/01/2002	6,929.49	-	6,929.49
9/01/2002	6,929.49	-	6,929.49
12/01/2002	6,929.49	-	6,929.49
3/01/2003	6,929.49	-	6,929.49
6/01/2003	6,929.49	-	6,929.49
9/01/2003	6,929.49	-	6,929.49
12/01/2003	6,929.49	-	6,929.49
3/01/2004	6,929.49	-	6,929.49
6/01/2004	6,929.49	-	6,929.49
9/01/2004	6,929.49	-	6,929.49
12/01/2004	6,929.49	-	6,929.49
3/01/2005	6,929.49	-	6,929.49
6/01/2005	6,929.49	-	6,929.49
9/01/2005	6,929.49	-	6,929.49
12/01/2005	6,929.49	-	6,929.49
3/01/2006	6,929.49	-	6,929.49
6/01/2006	6,929.49	-	6,929.49
9/01/2006	6,929.49	-	6,929.49
12/01/2006	6,929.49	-	6,929.49
3/01/2007	6,929.49	-	6,929.49
6/01/2007	6,929.49	-	6,929.49
9/01/2007	6,929.49	-	6,929.49
12/01/2007	6,929.49	-	6,929.49
3/01/2008	6,929.49	-	6,929.49
6/01/2008	6,929.49	-	6,929.49
9/01/2008	6,929.49	-	6,929.49
12/01/2008	6,929.49	-	6,929.49
3/01/2009	6,929.49	-	6,929.49
6/01/2009	6,929.49	-	6,929.49
9/01/2009	6,929.49	-	6,929.49

Ohio County Public Service District, West Virginia
$1,081,000 Infrastructure Fund Loan
40 Years, 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2009	6,929.49	-	6,929.49
3/01/2010	6,929.49	-	6,929.49
6/01/2010	6,929.49	-	6,929.49
9/01/2010	6,929.49	-	6,929.49
12/01/2010	6,929.49	-	6,929.49
3/01/2011	6,929.49	-	6,929.49
6/01/2011	6,929.49	-	6,929.49
9/01/2011	6,929.49	-	6,929.49
12/01/2011	6,929.49	-	6,929.49
3/01/2012	6,929.49	-	6,929.49
6/01/2012	6,929.49	-	6,929.49
9/01/2012	6,929.49	-	6,929.49
12/01/2012	6,929.49	-	6,929.49
3/01/2013	6,929.49	-	6,929.49
6/01/2013	6,929.49	-	6,929.49
9/01/2013	6,929.49	-	6,929.49
12/01/2013	6,929.49	-	6,929.49
3/01/2014	6,929.49	-	6,929.49
6/01/2014	6,929.49	-	6,929.49
9/01/2014	6,929.49	-	6,929.49
12/01/2014	6,929.49	-	6,929.49
3/01/2015	6,929.49	-	6,929.49
6/01/2015	6,929.49	-	6,929.49
9/01/2015	6,929.49	-	6,929.49
12/01/2015	6,929.49	-	6,929.49
3/01/2016	6,929.49	-	6,929.49
6/01/2016	6,929.49	-	6,929.49
9/01/2016	6,929.49	-	6,929.49
12/01/2016	6,929.49	-	6,929.49
3/01/2017	6,929.49	-	6,929.49
6/01/2017	6,929.49	-	6,929.49
9/01/2017	6,929.49	-	6,929.49
12/01/2017	6,929.49	-	6,929.49
3/01/2018	6,929.49	-	6,929.49
6/01/2018	6,929.49	-	6,929.49
9/01/2018	6,929.49	-	6,929.49
12/01/2018	6,929.49	-	6,929.49
3/01/2019	6,929.49	-	6,929.49
6/01/2019	6,929.49	-	6,929.49
9/01/2019	6,929.49	-	6,929.49
12/01/2019	6,929.49	-	6,929.49
3/01/2020	6,929.49	-	6,929.49
6/01/2020	6,929.49	-	6,929.49
9/01/2020	6,929.49	-	6,929.49
12/01/2020	6,929.49	-	6,929.49

Ohio County Public Service District, West Virginia
$1,081,000 Infrastructure Fund Loan
40 Years, 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2021	6,929.49	-	6,929.49
6/01/2021	6,929.49	-	6,929.49
9/01/2021	6,929.49	-	6,929.49
12/01/2021	6,929.49	-	6,929.49
3/01/2022	6,929.49	-	6,929.49
6/01/2022	6,929.49	-	6,929.49
9/01/2022	6,929.49	-	6,929.49
12/01/2022	6,929.49	-	6,929.49
3/01/2023	6,929.49	-	6,929.49
6/01/2023	6,929.49	-	6,929.49
9/01/2023	6,929.49	-	6,929.49
12/01/2023	6,929.49	-	6,929.49
3/01/2024	6,929.49	-	6,929.49
6/01/2024	6,929.49	-	6,929.49
9/01/2024	6,929.49	-	6,929.49
12/01/2024	6,929.49	-	6,929.49
3/01/2025	6,929.49	-	6,929.49
6/01/2025	6,929.49	-	6,929.49
9/01/2025	6,929.49	-	6,929.49
12/01/2025	6,929.49	-	6,929.49
3/01/2026	6,929.49	-	6,929.49
6/01/2026	6,929.49	-	6,929.49
9/01/2026	6,929.49	-	6,929.49
12/01/2026	6,929.48	-	6,929.48
3/01/2027	6,929.48	-	6,929.48
6/01/2027	6,929.48	-	6,929.48
9/01/2027	6,929.48	-	6,929.48
12/01/2027	6,929.48	-	6,929.48
3/01/2028	6,929.48	-	6,929.48
6/01/2028	6,929.48	-	6,929.48
9/01/2028	6,929.48	-	6,929.48
12/01/2028	6,929.48	-	6,929.48
3/01/2029	6,929.48	-	6,929.48
6/01/2029	6,929.48	-	6,929.48
9/01/2029	6,929.48	-	6,929.48
12/01/2029	6,929.48	-	6,929.48
3/01/2030	6,929.48	-	6,929.48
6/01/2030	6,929.48	-	6,929.48
9/01/2030	6,929.48	-	6,929.48
12/01/2030	6,929.48	-	6,929.48
3/01/2031	6,929.48	-	6,929.48
6/01/2031	6,929.48	-	6,929.48
9/01/2031	6,929.48	-	6,929.48
12/01/2031	6,929.48	-	6,929.48
3/01/2032	6,929.48	-	6,929.48

Ohio County Public Service District, West Virginia
$1,081,000 Infrastructure Fund Loan
40 Years, 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2032	6,929.48	-	6,929.48
9/01/2032	6,929.48	-	6,929.48
12/01/2032	6,929.48	-	6,929.48
3/01/2033	6,929.48	-	6,929.48
6/01/2033	6,929.48	-	6,929.48
9/01/2033	6,929.48	-	6,929.48
12/01/2033	6,929.48	-	6,929.48
3/01/2034	6,929.48	-	6,929.48
6/01/2034	6,929.48	-	6,929.48
9/01/2034	6,929.48	-	6,929.48
12/01/2034	6,929.48	-	6,929.48
3/01/2035	6,929.48	-	6,929.48
6/01/2035	6,929.48	-	6,929.48
9/01/2035	6,929.48	-	6,929.48
12/01/2035	6,929.48	-	6,929.48
3/01/2036	6,929.48	-	6,929.48
6/01/2036	6,929.48	-	6,929.48
9/01/2036	6,929.48	-	6,929.48
12/01/2036	6,929.48	-	6,929.48
3/01/2037	6,929.48	-	6,929.48
6/01/2037	6,929.47	-	6,929.47
TOTAL	1,081,000.00	-	1,081,000.00

YIELD STATISTICS

Bond Year Dollars	$21,124.54
Average Life	19.542 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	0.0000000%
Bond Yield for Arbitrage Purposes	0.0000000%
All Inclusive Cost (AIC)	0.0000000%
IRS FORM 8038	
Net Interest Cost	-
Weighted Average Maturity	19.542 Years

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:

_____