PRICHARD PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

DATE OF CLOSING: DECEMBER 14, 2005

BONDS TRANSCRIPT

STEPTOE & JOHNSON PLLC

John C. Stump, Esquire
707 Virginia Street, East
Bank One Center, Seventh Floor
Charleston, WV 25326
(304)353-8196
john.stump@steptoe-johnson.com

Vincent A. Collins, Esquire
1085 Van Voorhis Road
United Center, Suite 400
Morgantown, WV 26505
(304)598-8161
collinva@steptoe-johnson.com

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Resolution
2. Supplemental Resolution
3. Loan Agreement
4. (A) Public Service Commission Order approving the Project and Financing
   (B) Public Service Commission Order approving the Operation and Maintenance Agreement and Service Agreement
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Bonds and Bond Proceeds
7. Direction to Authenticate and Deliver Bonds
8. Specimen Bond

OPINIONS OF COUNSEL

9. Approving Opinion of Steptoe & Johnson PLLC, Bond Counsel
10. Opinion of Counsel to Issuer
11. Title Opinion

CERTIFICATES

12. General Certificate of Issuer and Attorney
13. Certificate of Engineer, with Schedule Attached

14. Certificate of Certified Public Accountant

15. Certificate as to Use of Proceeds

DOCUMENTS OF THE ISSUER

16. County Commission Orders on Creation of District

17. County Commission Orders Appointing Current Boardmembers

18. Oaths of Office of Current Boardmembers

19. Rules of Procedure

20. Affidavit of Publication on Notice of Filing

21. Minutes of Current Year Organizational Meeting

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

23. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

24. Acceptance of Appointment as Depository Bank

25. Acceptance of Duties as Registrar

26. Certificate of Registration of Bonds

27. Registrar's Agreement

28. NPDES Permit

29. Environmental Health Services Permit

30. Closing Memorandum

31. Evidence of Insurance

32. West Virginia Infrastructure & Jobs Development Council Grant Agreement

33. Evidence of the Economic Development Administration Grant

34. Evidence of the Appalachian Regional Commission Grant

35. Receipt of Payment of the Prior Notes

36. Operation and Maintenance Agreement with James Hundley

37. Service Agreement with the City of Kenova

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STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, 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
304.353.8196 - Telephone
304.353.8181 - Fax
john.stump@steptoe-johnson.com

March 31, 2006

Prichard Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Council)

TO PERSONS ON THE ATTACHED DISTRIBUTION LIST:

Enclosed is your copy of the transcript of documentation for the above-referenced bond issue. Please briefly review this transcript before filing it and call me if you have any questions. It was a pleasure working with you on this issue.

My best regards.

Very truly yours,

John C. Stump

JCS/rmc
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Prichard Public Service District
Sewer Revenue Bonds, Series 2005
(West Virginia Infrastructure Fund)

TRANSCRIPT DISTRIBUTION LIST

Arnold Hazlett, Chairman
Prichard Public Service District
Post Office Box 206
Prichard, West Virginia 25555
Phone: 304.526.9376 or 526.9100 (work)
Fax: 304.526.9140 (work)

H. Wyatt Hanna, III, Esquire
Hanna and Page
512 D Street
Post Office Box 8070
South Charleston, West Virginia 25303
Phone: 304.744.3150
Fax: 304.744.3157
E-Mail: *

Jim Boggs
Regional II Planning & Development Council
Post Office Box 939
Huntington, West Virginia 25712
Phone: 304.529.3357
Fax: 304.529.7229
E-Mail: jboggs@citynet.net

Jefferson Brady, P.E., Executive Director
West Virginia Infrastructure and Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301
Phone: 304.558.4607
Fax: 304.558.4609
E-Mail: jefferson.brady@verizon.net

Daniel B. Yonkosky, Director
West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Phone: 304.558.3612
Fax: 304.558.0299
E-Mail: dyonkosky@wvwda.org

Sara Boardman, Director
West Virginia Municipal Bond Commission
8 Capitol Street, Suite 500, Terminal Building
Charleston, West Virginia 25301
Phone: 304.558.3971
Fax: 304.558.1280
E-Mail: sboardman@state.wv.us

Samme L. Gee, Esquire
Jackson & Kelly PLLC
1600 Laidley Tower (25301)
Post Office Box 553
Charleston, West Virginia 25322
Phone: 304.340.1318
Fax: 304.340.1080
E-Mail: sgee@jacksonkelly.com

John C. Stump, Esquire
Katy Mallory, P.E., Project Finance Manager
Karrie Mattox, Legal Assistant
Steptoe & Johnson PLLC
Chase Tower, 7th Floor (25301)
Post Office Box 1588
Charleston, West Virginia 25326-1588
Phone: 304.353.8196 (John)
Phone: 304.353.8161 (Katy)
Phone: 304.556.8257 (Karrie)
Fax: 304.353.8181
E-Mail: john.stump@steptoe-johnson.com
E-Mail: katy.mallory@steptoe-johnson.com
E-Mail: karrie.mattox@steptoe-johnson.com

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PRICHARD PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

Table of Contents

Subject **Page**

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01 Authority for this Resolution
Section 1.02 Findings
Section 1.03 Bond Legislation Constitutes Contract
Section 1.04 Definitions

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project
Section 2.02 Authorization of Refunding of the Prior Notes

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

Section 3.01 Authorization of Bonds
Section 3.02 Terms of Bonds
Section 3.03 Execution of Bonds
Section 3.04 Authentication and Registration
Section 3.05 Negotiability, Transfer and Registration
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07 Bonds not to be Indebtedness of the Issuer
Section 3.08 Bonds Secured by Pledge of Net Revenues
Section 3.09 Delivery of Bonds

Section 3.10 Form of Bonds
FORM OF SERIES 2005 A BOND
Section 3.11 Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
Section 3.12 Filing of Amended Schedule

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01 Establishment of Funds and Accounts with Depository Bank
Section 5.02 Establishment of Funds and Accounts with Commission
Section 5.03 System Revenues; Flow of Funds

ARTICLE VI
BOND PROCEEDS; DISBURSEMENTS

Section 6.01 Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
Section 6.02 Disbursements From the Bond Construction Trust Fund

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01 General Covenants of the Issuer
Section 7.02 Bonds not to be Indebtedness of the Issuer
Section 7.03 Bonds Secured by Pledge of Net Revenues
Section 7.04 Initial Schedule of Rates and Charges
Section 7.05 Sale of the System
Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07 Parity Bonds
Section 7.08 Books; Records and Audit
Section 7.09 Rates
Section 7.10 Operating Budget and Monthly Financial Report
Section 7.11 Engineering Services and Operating Personnel
Section 7.12 No Competing Franchise
Section 7.13 Enforcement of Collections
Section 7.14 No Free Services
Section 7.15 Insurance and Construction Bonds
Section 7.16 Mandatory Connections
Section 7.17 Completion and Operation of Project; Permits and Orders
Section 7.18 Tax Covenants

Section 7.19 Statutory Mortgage Lien
Section 7.20 Compliance with Loan Agreement and Law
Section 7.21 Securities Laws Compliance
Section 7.22 Contracts; Public Releases

ARTICLE VIII
INVESTMENT OF FUNDS; USE OF PROCEEDS

Section 8.01 Investments
Section 8.02 Certificate as to Use of Proceeds; Covenants as to Use of Proceeds

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01 Events of Default
Section 9.02 Remedies
Section 9.03 Appointment of Receiver

ARTICLE X
PAYMENT OF BONDS

Section 10.01 Payment of Bonds

ARTICLE XI
MISCELLANEOUS

Section 11.01 Amendment or Modification of Bond Legislation
Section 11.02 Bond Legislation Constitutes Contract
Section 11.03 Severability of Invalid Provisions
Section 11.04 Headings, Etc.
Section 11.05 Conflicting Provisions Repealed
Section 11.06 Covenant of Due Procedure, Etc.
Section 11.07 Effective Date
SIGNATURES
CERTIFICATION
EXHIBIT A

PRICHARD PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE PAYMENT OF THE SEWERAGE SYSTEM DESIGN NOTES, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF PRICHARD PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $817,354 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 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 PRICHARD PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed public sewerage facilities of the Issuer, consisting of a wastewater collection and treatment system to serve approximately 234 customers, together with all appurtenant facilities (collectively, the "Project"), which constitute public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer has heretofore temporarily financed the design of the Project by the issuance of the Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund), dated December 17, 2003, issued in the original aggregate principal amount of $145,000 (the "Prior Notes").

D. The Prior Notes were issued pursuant to a resolution of the Issuer previously adopted for such purpose (such resolution, as so amended and supplemented, is here called the "Prior Note Resolution").

E. It is deemed necessary and desirable for the Issuer to refund the Prior Notes to effect the release and termination of certain restrictions, conditions and limitations imposed in the Prior Note Resolution.

F. The Issuer intends to refund the Prior Notes and 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.

G. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than $817,354 (the "Series 2005 A Bonds"), to refund the Prior Notes and permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2005 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 2005 A Bonds Reserve Account (as hereinafter defined); the costs of refunding the Prior Notes; 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 2005 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 2005 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

H. The period of usefulness of the System after completion of the Project is not less than 40 years.

I. It is in the best interests of the Issuer that its Series 2005 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

J. Upon payment of the Prior Notes, there will be no outstanding bonds or obligations of the Issuer which will rank on a parity with the Series 2005 A Bonds or are secured by revenues or assets of the System.

K. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2005 A 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 2005 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 2005 A Bonds or such final order will not be subject to appeal.

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 1331, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2005 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2005 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1331, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2005 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

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

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

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

"Bonds" means the Series 2005 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2005 A Bonds for all or a portion of the proceeds of the Series 2005 A Bonds from the Authority.

"Code" means the Internal Revenue Code of 1386, as amended, and the Regulations.

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

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

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

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

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

"Governing Body" or "Board" means the public service board of the Issuer, as it may now or hereafter be constituted.

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

"Grants" means all monies received by the Issuer on account of any Grant for the Project.

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

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

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

"Investment Property" means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

"Issuer" means Prichard Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Wayne County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2005 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 2005 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2005 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 2005 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2005 A Bonds in the Supplemental Resolution.

"Prior Notes" means the Issuer's Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund).

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

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

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund 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 2005 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), authorized to be issued hereby.

"Series 2005 A Bonds Construction Trust Fund" means the Series 2005 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2005 A Bonds Reserve Account" means the Series 2005 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2005 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 2005 A Bonds in the then current or any succeeding year.

"Series 2005 A Bonds Sinking Fund" means the Series 2005 A Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2005 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2005 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 2005 A Bonds, or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account.

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewerage or industrial wastes, in its entirety or any integral part thereof, and all sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewerage system.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

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

ARTICLE II

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

Section 2.01. Authorization of Acquisition and Construction of the Project There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $3,255,354, 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 2005 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project, in an amount compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated not to exceed $3,255,354, of which $817,354 will be obtained from proceeds of the Series 2005 A Bonds; $1,138,000 will be obtained from an Economic Development Administration grant; $1,000,000 will be obtained from an Appalachian Regional Council grant; and $300,000 will be obtained from an Infrastructure Fund grant.

Section 2.02. Authorization of Refunding of the Prior Notes. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and the administrative fee on the Prior Notes on the Closing Date. The cost of the refunding will be paid from the proceeds of the Series 2005 A Bonds. Upon payment in full of the Prior Notes, any funds pledged in favor of the holders of the Prior Notes imposed by the Prior Notes Resolution are hereby ordered terminated, discharged and released.

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 refunding the Prior Notes, capitalizing interest on the Series 2005 A Bonds, funding a reserve account for the Series 2005 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2005 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 2005 A Bonds of the Issuer. The Series 2005 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $817,354, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2005 A Bonds remaining after funding of the Series 2005 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest on the Series 2005 A Bonds, if any, shall be deposited in or credited to the Series 2005 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 2005 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 2005 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 2005 A Bonds, if any, shall be paid by check or draft of the Paying Agent, or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2005 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 2005 A Bonds. The Series 2005 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2005 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 2005 A Bonds shall cease to be such officer of the Issuer before the Series 2005 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 2005 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 2005 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bonds, substantially in the forms set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bonds shall be conclusive evidence that such Bonds have been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on the Series 2005 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 2005 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 2005 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 2005 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2005 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 2005 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2005 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2005 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 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2005 A Bonds shall be secured by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2005 A Bonds, and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2005 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2005 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 2005 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 2005 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 2005 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2005 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2005 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
PRICHARD PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $817,354

KNOW ALL MEN BY THESE PRESENTS: That on this 13th day of December, 2005, PRICHARD PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Wayne County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of EIGHT HUNDRED SEVENTEEN THOUSAND THREE HUNDRED FIFTY-FOUR DOLLARS ($817,354), 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, 2007, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated December 13, 2005.

This Bond is issued: (i) to refund the Issuer's Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund) (the "Prior Notes"); (ii) to fund the Series 2005 A Bonds Reserve Account (hereinafter defined); (iii) to pay a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); and (iv) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with

the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on December 8, 2005, and a Supplemental Resolution duly adopted by the Issuer on December 8, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2005 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 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2005 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 13, 2005.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

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 2005 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. Filing of Amended Schedule . Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the Council a schedule, the form of which will be provided by the Council setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2005 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 2005 A Bonds Sinking Fund; and

(2) Series 2005 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All monies in the Revenue Fund shall be disposed of only in the following order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2005 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 2005 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2005 A Bonds, if not fully funded upon issuance of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2005 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2005 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 2005 A Bonds Reserve Requirement.

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

Monies in the Series 2005 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2005 A Bonds, as the same shall become due. Monies in the Series 2005 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2005 A Bonds, as the same shall come due, when other monies in the Series 2005 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 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 2005 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 2005 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2005 A Bonds Reserve Account which result in a reduction in the balance therein to below the Series 2005 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 2005 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2005 A Bonds Sinking Fund or the Series 2005 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2005 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2005 A Bonds, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2005 A Bonds and

all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

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

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2005 A Bonds Construction Trust Fund, and following completion of the Project, shall

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2005 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2005 A Bonds, there shall be deposited with the Commission in the Notes Payment Fund, the amount required to pay in full the entire outstanding principal of and the administrative fee on the Prior Notes.

B. Next, from the proceeds of the Series 2005 A Bonds, there shall be deposited with the Commission in the Series 2005 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 2005 A Bonds for the period commencing on the date of issuance of the Series 2005 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

C. Next, from the proceeds of the Series 2005 A Bonds, there shall be deposited with the Commission in the Series 2005 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2005 A Bonds Reserve Account.

D. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2005 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2005 A Bonds Construction Trust Fund and applied solely to payment of the costs of the acquisition and construction of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2005 A Bonds.

E. 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 2005 A Bonds shall be applied as directed by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all costs shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2005 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

(b) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(c) Each of such costs has been otherwise properly incurred; and

(d) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2005 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2005 A Bonds within 3 years of the date of issuance of the Council's Bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2005 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 2005 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 2005 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 2005 A Bond shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2005 A Bonds shall be secured by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2005 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the Commission Order of the Public Service Commission of West Virginia entered on October 26, 2004, in Case No. 04-1149-PSD-ECN, and such rates are hereby adopted.

So long as the Series 2005 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 2005 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 2005 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2005 A Bonds, immediately be remitted to the Commission for deposit in the Series 2005 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 2005 A Bonds. Any balance remaining after the payment of the Series 2005 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2005 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2005 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, and source of and security for payment from such revenues and in all other respects, to the Series 2005 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2005 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 2005 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, for the Project or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2005 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2005 A Bonds.

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months,

within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2005 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 2005 A Bonds.

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

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

The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Council, the Authority, or any other original purchaser of the Series 2005 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2005 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2005 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2005 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2005 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 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 A Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2005 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2005 A Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2005 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to

the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

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

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and State requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2005 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2005 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2005 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 2005 A Bonds during the term thereof is, under the terms of the Series 2005 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 monies 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 2005 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 2005 A Bonds during the term thereof is, under the terms of the Series 2005 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 monies used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2005 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 2005 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2005 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2005 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2005 A Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e), if any, of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 2005 A Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.13. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2005 A Bonds, a statutory mortgage lien upon the System is granted

and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2005 A Bonds.

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

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

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

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2005 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2005 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2005 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2005 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2005 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to the Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2005 A Bonds as a condition to issuance of the Series 2005 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 2005 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2005 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code;

issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2005 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2005 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 2005 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2005 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 2005 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2005 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, or Paying Agent, or any other Paying Agent or a Holder of a Bond; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2005 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2005 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2005 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2005 A Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2005 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the

System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2005 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 2005 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2005 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2005 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 2005 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2005 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2005 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2005 A Bonds.

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have

been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

Adopted this 8th day of December, 2005.

Arnold Hazlitt

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of PRICHARD PUBLIC SERVICE DISTRICT on the 8th day of December, 2005.

Dated: December 13, 2005.

[SEAL]

Karen Yost
Secretary

11/18/05
727670.00002

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF PRICHARD PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE BONDS; AUTHORIZING AND APPROVING THE SALE OF THE BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Prichard Public Service District (the "Issuer") has duly and officially adopted a bond resolution on December 8, 2005, (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE PAYMENT OF THE SEWERAGE SYSTEM DESIGN NOTES, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF PRICHARD PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $817,354 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL

DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds" or "Series 2005 A Bonds"), in the principal amount not to exceed $817,354, and has authorized the execution and delivery of the loan agreement relating to the Series 2005 A Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 2005 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates, the sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF PRICHARD 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 2005 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $817,354. The Series 2005 A Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2045, and shall bear no interest. The principal of the Series 2005 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2007, and maturing September 1, 2045, 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 2005 A Bonds. The Series 2005 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2005 A Bonds.

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

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

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2005 A Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2005 A Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate Community Trust Bank, Fort Gay, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2005 A Bonds proceeds in the amount of $148,767.38 shall be paid to the Commission to pay in full the entire outstanding principal of and all administrative fees on the Prior Notes.

Section 7. Series 2005 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2005 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2005 A Bonds proceeds in the amount of $21,369 shall be deposited in the Series 2005 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2005 A Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2005 A Bonds Construction Trust Fund for payment of the costs of the acquisition and construction of the Project, including, without limitation, costs of issuance of the Series 2005 A Bonds and related costs.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2005 A Bonds may be delivered on or about December 13, 2005, to the Authority pursuant to the Loan Agreement.

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

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, subject to any limitation of the Purchaser with respect of the proceeds of the Bonds, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

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

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

Adopted this 8th day of December, 2005.

PRICHARD PUBLIC SERVICE DISTRICT

By: Arnold Hazlett
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Prichard Public Service District on this 8th day of December, 2005.

Dated: December 13, 2005.

[SEAL]

Karen Yost
Secretary

11/18/05
727670.00002

On September 21, 2004, Commission Staff (Staff) filed a Final Joint Staff Memorandum, attaching thereto Technical Staff's Final Internal Memorandum. Technical Staff explained that the Prichard area in Wayne County is currently without access to a community-wide wastewater collection and treatment system. However, there are customers being served by the HADC who will become customers of the District. The remaining customers, Technical Staff said, utilize on-site septic systems or direct discharge into area streams. Numerous septic systems in the project area are in various stages of deterioration and the soil in the project area is not conducive to septic system discharges.

Technical Staff explained that the Prichard Industrial Park, as well as additional acreage for the development of industrial usage, is located within the proposed project area. The Prichard area also contains numerous parcels for future residential, commercial and/or industrial development. According to Technical Staff, the lack of a public wastewater collection and treatment system hinders further development of the area.

Technical Staff wrote that Prichard PSD's collection and treatment system would be operated and maintained by the City of Huntington under an operation and maintenance agreement.[1] The billing and collecting will be performed by the City of Kenova pursuant to a contract.

Pursuant to Staff's memorandum, the project will cost approximately $3,315,000. Technical Staff set forth the proposed financing and determined that after completion of the project, the District should have operating revenues and operating expenses of $102,339 and $71,720, respectively. This amount, according to Technical Staff, will be sufficient to cover the proposed annual operating expenses and debt service requirements, and provide a surplus of approximately $2,674 and a coverage ratio of 133%. Technical Staff also calculated a leak adjustment increment.

Upon its financial and technical review, Technical Staff opined the project is necessary to eliminate the surfacing and discharging of untreated sewage and to allow the area to continue growing, both in residential and commercial/industrial customers. Technical Staff also found the project convenient as there is a considerable amount of grant funding secured, and it will not require paying back large amounts of loans which would result in higher rates. Thus, Technical Staff recommended the following (*See* Technical Staff's Final Internal Memorandum at pp. 7-8):

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[1]As set forth below, the Commission was informed at the hearing that different arrangements have been developed since Staff filed its Final Joint Staff Memorandum.

Public Service Commission
of West Virginia
Charleston

041149comb102604.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 26th day of October, 2004.

CASE NO. 04-1149-PSD-ECN

PRICHARD PUBLIC SERVICE DISTRICT

Emergency Application for a Certificate of Convenience and Necessity to construct a sanitary sewer collection and treatment system to serve approximately 234 customers and to construct a wastewater treatment plant facility (filed 7/22/04).

COMMISSION ORDER

On July 22, 2004, the Prichard Public Service District (District) filed an application for a certificate of convenience and necessity to construct a wastewater collection and treatment system to serve approximately two hundred thirty-four (234) customers which include nine (9) industrial establishments in the Prichard community in Wayne County, West Virginia. The project also contemplates the construction of a 100,000-gpd wastewater treatment plant and the necessary appurtenances. Pursuant to *W. Va. Code* § 31-15A-2(h), the West Virginia Infrastructure and Jobs Development Council (WVIJDC) gave the proposed project emergency status.

The District also explained that there are approximately seventeen (17) existing residential and nine (9) industrial customers currently being served by a wastewater collection and treatment system owned by the Huntington Area Development Corporation (HADC). The District intends to acquire the existing wastewater collection system from that entity.

On August 20, 2004, the Commission received a letter of protest and request for a public hearing from Daniel R. Beckley. Mr. Beckley protested the issuance of the certificate based upon alleged losses of civil liberties.

ATTACHMENT A

PRICHARD PUBLIC SERVICE DISTRICT
CASE NO. 04-1149-PSD-ECN
STAFF RECOMMENDED TARIFF

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

$6.85 per 1,000 gallons used per month.

MINIMUM CHARGE

No bill will be rendered for less than $13.70 per month, which is the equivalent of 2,000 gallons.

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 $0.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of the construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $200.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$0.91 per M gallons of water is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

Public Service Commission
of West Virginia
Charleston

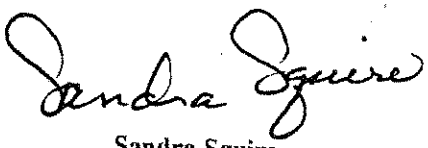
IT IS FURTHER ORDERED that the Prichard Public Service District shall file an original and five (5) copies of the tariff with the Commission within 30 days of the date of this Order.

IT IS FURTHER ORDERED that the Prichard Public Service District shall file for a rate review within 6 months following a full 12 months of operation.

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

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy, Teste:



Sandra Squire
Executive Secretary

TBS/ljm
041149cb.wpd

1. Pursuant to West Virginia Code 16-13A-25 and 24-2-11, the Prichard Public Service District be granted a Certificate of Convenience and Necessity to construct the project described herein, contingent upon filing the following:

   A. The District filing a copy of the revised National Pollutant Discharge Elimination System Water Pollution Control Permit (NPDES) once received, under this case number.

   B. The District entering into formal contracts for respective services with both the City of Kenova and the City of Huntington and filing these contracts with the Commission for review. Otherwise, the District should file a letter indicating the progress in negotiations by the time construction has commenced.

2. Project financing as listed be approved:

Economic Development Administration (EDA) grant	$1,138,000
Appalachian Regional Council (ARC) grant	$1,000,000
West Virginia Infrastructure and Jobs Development Council (WVIJDC) grant	$ 300,000
WVIJDC loan (0%, 40 years)	$ 877,000
Total	$3,315,000

   If additional funding is required to complete the proposed project, Staff recommends the District petition the Commission for approval of the same.

3. Approval of the Proforma and Staff Recommended rates, included as Attachment 1.

4. If there is any change in the plans, scope, terms of financing [of] the project, the District should request a reopening of the Certificate Case for adjustments and approval.

5. A copy of the bids are to be filed with the Commission and made part of the file as soon as they are tabulated.

6. The Prichard Public Service District is to notify the Commission when its Engineer has performed the substantial completion inspection.

7. The Prichard Public Service District within 6 months following a full 12 months of operation shall file for a rate review.

Legal Staff further recommended the Commission hold a hearing to provide due process, given Mr. Beckley's protest.

The Commission entered an Order on September 23, 2004, setting the matter for hearing on October 7, 2004, at 9:30 a.m. in the Howard M. Cunningham Hearing Room, 201 Brooks Street, Charleston, West Virginia. The Commission further ordered publication of an attached Notice of Hearing.

On September 24, 2004, the District filed an affidavit that the Notice of Filing was published in the *Wayne County News* on July 30, 2004.

On September 24, 2004, the District filed a "Motion to Change Hearing Time" and requested the hearing time be changed from 9:30 a.m. to 2:00 p.m. on October 7, 2004. In support of its request, the District indicated that its Counsel had a prior commitment for the scheduled time and the District wished to avoid having to retain another attorney and incurring additional expense and/or further delay.

The Commission entered an Order on September 27, 2004, granting the District's motion and changing the hearing time from 9:30 a.m. to 2:00 p.m.

The hearing was held as scheduled on October 7, 2004. The District was represented by H. Wyatt Hanna, III and Staff was represented by Ron Robertson. Mr. Beckley did not appear. The District's counsel indicated there was no dispute between the District and Staff regarding the application. The District and Staff stipulated to the Staff report and the documents already in evidence. Staff also informed the Commission the billing agreement between the District and the City of Kenova is expected to be filed in the near future. Further, although the operation and maintenance agreement was originally to be with the Huntington Sanitary Board, the District will now contract with an individual who will serve on a part-time basis to operate the new plant.

On October 12, 2004, the District filed an affidavit that the Notice of Hearing was published in the *Wayne County News* on October 1, 2004.

DISCUSSION

W. Va. Code § 24-2-11 provides, in pertinent part, as follows:

> (a) No public utility . . . shall begin the construction of any plant . . . for furnishing to the public any [utility] service . . . unless and until it shall obtain from the public service commission a certificate of convenience and necessity requiring such construction . . . . Upon the filing of any application for such certificate, and after hearing, the commission may, in its discretion, issue or refuse to issue, or issue in part and refuse in part, such certificate of convenience and necessity: Provided, That the commission, after it gives proper notice and if no protest is received within thirty days after the notice is given, may waive formal hearing on the application.

Furthermore, in considering a certificate application, the Commission must assess whether the general public convenience will be served and assess the public necessity for the project. Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914 (1992).

Upon review, the Commission concludes that the project is necessary to eliminate the surfacing and discharging of untreated sewage and to allow the area to continue growing, both in residential and commercial/industrial customers. Moreover, the Commission concludes that the general public convenience will be served by this project since there is a considerable amount of grant funding secured.

W. Va. Code § 16-13A-25 provides, in pertinent part, as follows:

> . . . a public service district shall not borrow money . . . without the prior consent and approval of the public service commission . . .

The Commission finds Staff's recommendations reasonable and will approve the District's application for a certificate of convenience and necessity, with the contingencies discussed above, as well as the proposed funding. The Commission notes that the District does not currently provide sewer service to its customers and Staff

recommended rates for such service. The Commission finds that it is reasonable to approve the Staff's Recommended Tariff, attached hereto, and agrees with Staff that the District should file for a rate review within 6 months following a full 12 months of operation.

FINDINGS OF FACT

1. On July 22, 2004, the District filed an application for a certificate of convenience and necessity to construct a wastewater collection and treatment system to serve approximately two hundred thirty-four (234) customers which includes nine (9) industrial establishments in the Prichard community in Wayne County. The project also contemplates the construction of a 100,000-gpd wastewater treatment plant and the necessary appurtenances.

2. The WVIJDC gave the proposed project emergency status.

3. There are approximately seventeen (17) residential and nine (9) industrial customers currently being served by a wastewater collection and treatment system owned by the HADC. The District intends to acquire the existing wastewater collection system from that entity.

4. On August 20, 2004, Daniel R. Beckley protested the issuance of the certificate based upon alleged losses of civil liberties and requested a public hearing.

5. On September 21, 2004, Staff filed a Final Joint Staff Memorandum and recommended the Commission do the following: a) grant the District a certificate of convenience and necessity to construct the project described herein, contingent upon filing a copy of the revised NPDES permit and entering into formal contracts for respective services with both the City of Kenova and the City of Huntington and filing these contracts with the Commission for review; b) approve the project financing as described above; c) approve the Staff Recommended rates[2]; d) require the District to request a reopening of the certificate case for adjustments and approval if there are any changes in the plans, scope, or terms of financing the project; e) direct the District to file a copy of the bids as soon as they are tabulated; f) direct the District to notify the Commission when its Engineer has performed the substantial completion inspection; and

[2]As set forth in the Discussion, the District does not currently provide sewer service to its customers and Staff recommended rates for such service.

Public Service Commission
of West Virginia
Charleston

g) direct the District, within 6 months following a full 12 months of operation, to file for a rate review.

6. The Commission entered an Order on September 23, 2004, setting the matter for hearing on October 7, 2004, at 9:30 a.m. in the Howard M. Cunningham Hearing Room, 201 Brooks Street, Charleston, West Virginia.

7. On September 24, 2004, the District filed an affidavit that the Notice of Filing was published in the *Wayne County News* on July 30, 2004.

8. The Commission entered an Order on September 27, 2004, granting the District's motion and changing the hearing time from 9:30 a.m. to 2:00 p.m. on October 7, 2004.

9. The hearing was held as scheduled on October 7, 2004. No one from the public appeared to protest the application.

10. On October 12, 2004, the District filed an affidavit that the Notice of Hearing was published in the *Wayne County News* on October 1, 2004.

CONCLUSIONS OF LAW

1. The project is necessary to eliminate the surfacing and discharging of untreated sewage and to allow the area to continue growing, both in residential and commercial/industrial customers. The general public convenience will also be served by this project since there is a considerable amount of grant funding secured.

2. Pursuant to W. Va. Code § 24-2-11 and Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914 (1992), a certificate of convenience and necessity should be granted, contingent upon a) the District filing a copy of the revised NPDES permit and b) the District entering into and filing for approval the formal contracts discussed above.

3. It is reasonable to approve the financing for the project, as more specifically described above.

4. It is reasonable to approve Staff's Recommended Tariff (attached hereto as Attachment A) and to require the District to file copies of the tariff.

5. The District should file a copy of the tabulated bids.

Public Service Commission
of West Virginia
Charleston

6. The District should notify the Commission when the project Engineer has performed the substantial completion inspection.

7. The District should request a reopening of this case should there be any changes in the plans, scope and terms of financing of the project.

8. The District should, within 6 months following a full 12 months of operation, file for a rate review.

ORDER

IT IS, THEREFORE, ORDERED that the Prichard Public Service District's application for a certificate of convenience and necessity, filed on July 22, 2004, is granted, contingent upon a) the District filing a copy of the revised NPDES permit and b) the District entering into and filing for approval of the formal contracts discussed above.

IT IS FURTHER ORDERED that the project funding is approved as follows:

Economic Development Administration (EDA) grant	$1,138,000
Appalachian Regional Council (ARC) grant	$1,000,000
West Virginia Infrastructure and Jobs Development Council (WVIJDC) grant	$ 300,000
WVIJDC loan (0%, 40 years)	$ 877,000
Total	$3,315,000

IT IS FURTHER ORDERED that the Prichard Public Service District shall file a copy of the tabulated bids with the Commission, as part of this case, as soon as they are tabulated.

IT IS FURTHER ORDERED that Prichard Public Service District shall seek permission from the Commission, prior to proceeding, if there are any changes in the project scope or financing.

IT IS FURTHER ORDERED that the Prichard Public Service District shall notify the Commission in writing when its Engineer has performed the substantial completion inspection.

IT IS FURTHER ORDERED that the Staff Recommended Tariff, attached hereto as Attachment A, is approved.

IC-1
(11/01/04)

$817,354

LOAN AGREEMENT

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

PRICHARD PUBLIC SERVICE DISTRICT
(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority and the Council, of each and all of those certain conditions precedent on or before the delivery date

for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

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

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

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

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

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

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

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

may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority and the Council, to such effect;

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety) in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net

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

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

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

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

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

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

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

(xii) That the Governmental Agency shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and

maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof;

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

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

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

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

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

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

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross

income for federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

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

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

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

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia

Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby warrants and represents that all information provided to the Authority and the Council in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit

any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and the Council shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and the Council by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act or this Loan Agreement.

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

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

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

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be

approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority and the Council.

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

PRICHARD PUBLIC SERVICE DISTRICT

(SEAL)

By: Arnold Hazlett
Its: Chairperson
Date: December 13, 2005

Attest:

Karen Yost
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: [signature]
Its: Director
Date: December 13, 2005

Attest:

Barbara B Meadows
Its: Secretary-Treasurer

11/28/05
017542/00301

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EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

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

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

M0471577.1

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:	
Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $817,354
Purchase Price of Local Bonds $817,354

The Local Bonds shall bear no interest. Commencing September 1, 2007, principal of the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency:

None.

$817,354

Prichard Public Service District
0% Interest Rate; 40 Years from Closing Date
Closing Date: December 13, 2005

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	5,342.19	-	5,342.19
12/01/2007	5,342.19	-	5,342.19
03/01/2008	5,342.19	-	5,342.19
06/01/2008	5,342.19	-	5,342.19
09/01/2008	5,342.19	-	5,342.19
12/01/2008	5,342.19	-	5,342.19
03/01/2009	5,342.19	-	5,342.19
06/01/2009	5,342.19	-	5,342.19
09/01/2009	5,342.19	-	5,342.19
12/01/2009	5,342.19	-	5,342.19
03/01/2010	5,342.19	-	5,342.19
06/01/2010	5,342.19	-	5,342.19
09/01/2010	5,342.19	-	5,342.19
12/01/2010	5,342.19	-	5,342.19
03/01/2011	5,342.19	-	5,342.19
06/01/2011	5,342.19	-	5,342.19
09/01/2011	5,342.19	-	5,342.19
12/01/2011	5,342.19	-	5,342.19
03/01/2012	5,342.19	-	5,342.19
06/01/2012	5,342.19	-	5,342.19
09/01/2012	5,342.19	-	5,342.19
12/01/2012	5,342.19	-	5,342.19
03/01/2013	5,342.19	-	5,342.19
06/01/2013	5,342.19	-	5,342.19
09/01/2013	5,342.19	-	5,342.19
12/01/2013	5,342.19	-	5,342.19
03/01/2014	5,342.19	-	5,342.19
06/01/2014	5,342.19	-	5,342.19
09/01/2014	5,342.19	-	5,342.19
12/01/2014	5,342.19	-	5,342.19
03/01/2015	5,342.19	-	5,342.19
06/01/2015	5,342.19	-	5,342.19
09/01/2015	5,342.19	-	5,342.19
12/01/2015	5,342.19	-	5,342.19
03/01/2016	5,342.19	-	5,342.19
06/01/2016	5,342.19	-	5,342.19
09/01/2016	5,342.19	-	5,342.19
12/01/2016	5,342.19	-	5,342.19

$817,354

Prichard Public Service District
0% Interest Rate; 40 Years from Closing Date
Closing Date: December 13, 2005

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2017	5,342.19	-	5,342.19
06/01/2017	5,342.19	-	5,342.19
09/01/2017	5,342.19	-	5,342.19
12/01/2017	5,342.19	-	5,342.19
03/01/2018	5,342.19	-	5,342.19
06/01/2018	5,342.19	-	5,342.19
09/01/2018	5,342.19	-	5,342.19
12/01/2018	5,342.19	-	5,342.19
03/01/2019	5,342.18	-	5,342.18
06/01/2019	5,342.18	-	5,342.18
09/01/2019	5,342.18	-	5,342.18
12/01/2019	5,342.18	-	5,342.18
03/01/2020	5,342.18	-	5,342.18
06/01/2020	5,342.18	-	5,342.18
09/01/2020	5,342.18	-	5,342.18
12/01/2020	5,342.18	-	5,342.18
03/01/2021	5,342.18	-	5,342.18
06/01/2021	5,342.18	-	5,342.18
09/01/2021	5,342.18	-	5,342.18
12/01/2021	5,342.18	-	5,342.18
03/01/2022	5,342.18	-	5,342.18
06/01/2022	5,342.18	-	5,342.18
09/01/2022	5,342.18	-	5,342.18
12/01/2022	5,342.18	-	5,342.18
03/01/2023	5,342.18	-	5,342.18
06/01/2023	5,342.18	-	5,342.18
09/01/2023	5,342.18	-	5,342.18
12/01/2023	5,342.18	-	5,342.18
03/01/2024	5,342.18	-	5,342.18
06/01/2024	5,342.18	-	5,342.18
09/01/2024	5,342.18	-	5,342.18
12/01/2024	5,342.18	-	5,342.18
03/01/2025	5,342.18	-	5,342.18
06/01/2025	5,342.18	-	5,342.18
09/01/2025	5,342.18	-	5,342.18
12/01/2025	5,342.18	-	5,342.18
03/01/2026	5,342.18	-	5,342.18
06/01/2026	5,342.18	-	5,342.18
09/01/2026	5,342.18	-	5,342.18
12/01/2026	5,342.18	-	5,342.18
03/01/2027	5,342.18	-	5,342.18
06/01/2027	5,342.18	-	5,342.18
09/01/2027	5,342.18	-	5,342.18
12/01/2027	5,342.18	-	5,342.18

$817,354

Prichard Public Service District
0% Interest Rate; 40 Years from Closing Date
Closing Date: December 13, 2005

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2028	5,342.18	-	5,342.18
06/01/2028	5,342.18	-	5,342.18
09/01/2028	5,342.18	-	5,342.18
12/01/2028	5,342.18	-	5,342.18
03/01/2029	5,342.18	-	5,342.18
06/01/2029	5,342.18	-	5,342.18
09/01/2029	5,342.18	-	5,342.18
12/01/2029	5,342.18	-	5,342.18
03/01/2030	5,342.18	-	5,342.18
06/01/2030	5,342.18	-	5,342.18
09/01/2030	5,342.18	-	5,342.18
12/01/2030	5,342.18	-	5,342.18
03/01/2031	5,342.18	-	5,342.18
06/01/2031	5,342.18	-	5,342.18
09/01/2031	5,342.18	-	5,342.18
12/01/2031	5,342.18	-	5,342.18
03/01/2032	5,342.18	-	5,342.18
06/01/2032	5,342.18	-	5,342.18
09/01/2032	5,342.18	-	5,342.18
12/01/2032	5,342.18	-	5,342.18
03/01/2033	5,342.18	-	5,342.18
06/01/2033	5,342.18	-	5,342.18
09/01/2033	5,342.18	-	5,342.18
12/01/2033	5,342.18	-	5,342.18
03/01/2034	5,342.18	-	5,342.18
06/01/2034	5,342.18	-	5,342.18
09/01/2034	5,342.18	-	5,342.18
12/01/2034	5,342.18	-	5,342.18
03/01/2035	5,342.18	-	5,342.18
06/01/2035	5,342.18	-	5,342.18
09/01/2035	5,342.18	-	5,342.18
12/01/2035	5,342.18	-	5,342.18
03/01/2036	5,342.18	-	5,342.18
06/01/2036	5,342.18	-	5,342.18
09/01/2036	5,342.18	-	5,342.18
12/01/2036	5,342.18	-	5,342.18
03/01/2037	5,342.18	-	5,342.18
06/01/2037	5,342.18	-	5,342.18
09/01/2037	5,342.18	-	5,342.18
12/01/2037	5,342.18	-	5,342.18
03/01/2038	5,342.18	-	5,342.18
06/01/2038	5,342.18	-	5,342.18
09/01/2038	5,342.18	-	5,342.18
12/01/2038	5,342.18	-	5,342.18

$817,354

Prichard Public Service District
0% Interest Rate; 40 Years from Closing Date
Closing Date: December 13, 2005

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2039	5,342.18	-	5,342.18
06/01/2039	5,342.18	-	5,342.18
09/01/2039	5,342.18	-	5,342.18
12/01/2039	5,342.18	-	5,342.18
03/01/2040	5,342.18	-	5,342.18
06/01/2040	5,342.18	-	5,342.18
09/01/2040	5,342.18	-	5,342.18
12/01/2040	5,342.18	-	5,342.18
03/01/2041	5,342.18	-	5,342.18
06/01/2041	5,342.18	-	5,342.18
09/01/2041	5,342.18	-	5,342.18
12/01/2041	5,342.18	-	5,342.18
03/01/2042	5,342.18	-	5,342.18
06/01/2042	5,342.18	-	5,342.18
09/01/2042	5,342.18	-	5,342.18
12/01/2042	5,342.18	-	5,342.18
03/01/2043	5,342.18	-	5,342.18
06/01/2043	5,342.18	-	5,342.18
09/01/2043	5,342.18	-	5,342.18
12/01/2043	5,342.18	-	5,342.18
03/01/2044	5,342.18	-	5,342.18
06/01/2044	5,342.18	-	5,342.18
09/01/2044	5,342.18	-	5,342.18
12/01/2044	5,342.18	-	5,342.18
03/01/2045	5,342.18	-	5,342.18
06/01/2045	5,342.18	-	5,342.18
09/01/2045	5,342.18	-	5,342.18
Total	**$817,354.00**	-	**$817,354.00**

Yield Statistics

Bond Year Dollars	$16,932.84
Average Life	20.717 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	5.99E-11
Bond Yield for Arbitrage Purposes	6.00E-11
All Inclusive Cost (AIC)	5.99E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.717 Years

ENTERED

Order Book 05-MM

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

ORIGINAL

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 19th day of August, 2005.

CASE NO. 05-0958-PSD-PC

PRICHARD PUBLIC SERVICE DISTRICT,
a public utility, Prichard, Wayne County.
Petition for consent and approval of an operation and maintenance agreement between the District and James Hundley and for consent and approval of a service agreement between the District and the City of Kenova.

COMMISSION ORDER

The Commission grants its prior consent and approval for a utility to enter into two contracts.

FINDINGS OF FACT

1. On October 26, 2004, the Commission granted Prichard Public Service District a certificate of convenience and necessity to construct a wastewater collection and treatment system to serve about 234 customers, including nine industrial establishments in the Prichard community in Wayne County, West Virginia. The Commission also authorized the construction of a 100,000-gallon per day wastewater treatment plant. See Comm'n Order, Prichard PSD, Case No. 04-1149-PSD-ECN. A condition of the certificate was that Prichard obtain Commission approval of an operation and maintenance agreement and a service agreement.

2. On June 29, 2005, Prichard requested the Commission's consent to enter into an agreement with James Hundley for the operation and maintenance of the wastewater collection and treatment system. Petition p. 1. Mr. Hundley is a Class I-S wastewater operator. Id. p. 2. Pursuant to the contract, he will perform all routine operation and maintenance on Prichard's system for $800 a month. He also will perform repairs on the system and shall be reimbursed actual costs for repair work, with Mr. Hundley's time calculated at $10 per hour. Id. & Ltr. p. 2 (July 29, 2005). Prichard attached a copy of the April 28, 2005, contract with Mr. Hundley. Petition p. 3 & attachment. Prior to 50%

completion of the project, Mr. Hundley will obtain a Class I Wastewater Treatment Works Operator's certificate. Attachment p. 4.

3. Although Prichard proposed in the certificate case that the Huntington Sanitary Board perform the operation and maintenance services, Prichard advised that Huntington has declined to enter into a contract with Prichard. Ltr. p. 1 (July 29, 2005).

4. Also, Prichard requested the Commission's consent to enter into an agreement with the City of Kenova for customer billing, accounting and collection services. Petition p. 1. Kenova provides water service in essentially the same area and has staff to meet customer billing, accounting and collection needs. Id. p. 3. Pursuant to the contract, Kenova will calculate the monthly sewer charges for Prichard's customers, based upon the rates and charges set forth in Prichard's tariff, and issue a combined water/sewer bill. On that bill, the water and sewer charges will be separately stated. Kenova also will receive payments for the combined bills and submit the sewer payments to Prichard once a month. If requested by Prichard, Kenova will also terminate water service to customers who are delinquent on their sewer accounts. Kenova also will pursue collection efforts to receive past due sewer amounts and negotiate deferred payment plans on Prichard's behalf. Attachment pp. 3-5. Prichard attached a copy of the March 17, 2005, contract with Kenova, which contains a calculation of a pro rata share of the Joint Service Cost which Prichard will pay to Kenova. Id. p. 3 & attachment. Initially, that cost will be $2.22 per bill per month for each Prichard customer. Attachment p. 8.

5. Prichard must contract for these services because Prichard will not have any full-time employees. Petition p. 3. Prichard said the agreements were fair and reasonable and were in the public interest. Id.

6. On August 10, 2005, Commission Staff recommended that the Commission grant its prior consent for Prichard to enter into the two contracts. Final Joint Staff Memorandum & Final Internal Memorandum p. 3. Staff advised that Prichard's annual cost for the operation and maintenance contract with Mr. Hundley would be about $9,600. Id. The annual cost for the service agreement with Kenova would be about $6,660. Id. Both of these amounts are within the costs which were estimated in the certificate case, Staff said. Id.

7. On August 15, 2005, Prichard asked the Commission to approve the petition, since there was no dispute in this proceeding. Ltr. p. 1.

Public Service Commission
of West Virginia
Charleston

CONCLUSIONS OF LAW

1. Prichard will not have any full-time employees. As a condition to granting the certificate for Prichard's collection and treatment system, the Commission required Prichard to enter into an operation and maintenance agreement. Prichard asserts that its contract with Mr. Hundley is fair and reasonable and in the public interest. Staff has reviewed the contract with Mr. Hundley and advises that its cost is within the amount estimated in the certificate case. Staff recommends that the Commission grant its consent for Prichard to enter into the contract. We agree.

2. As another condition to granting the certificate for Prichard's collection and treatment system, the Commission required Prichard to enter into a service agreement. Prichard asserts that its contract with Kenova is fair and reasonable and in the public interest. Staff has reviewed the contract with Kenova and advises that its cost is within the amount estimated in the certificate case. Staff recommends that the Commission grant its consent for Prichard to enter into the contract. We agree.

ORDER

IT IS THEREFORE ORDERED that, pursuant to W. Va. Code § 24-2-12, and without approving the underlying terms and conditions of the respective contracts, Prichard's petition is granted. Prichard may enter into the operation and maintenance agreement with Mr. Hundley and the service agreement with Kenova.

IT IS FURTHER ORDERED that this matter is removed from the Commission's docket of active cases.

Public Service Commission
of West Virginia
Charleston

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

Jon W. McKinney, Chairman

E. H. Staats, Commissioner

R. Michael Shaw, Commissioner

CLW/sck
050587c.wpd

Public Service Commission
of West Virginia
Charleston

West Virginia Infrastructure & Jobs Development Council

Public Members:
Russell L. Isaacs, Chairman
Cottageville
Henry Harmon, Vice Chairman
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley

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

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

April 3, 2003

Mr. Arnold Hazlett, Chairman
Prichard Public Service District
P.O. Box 13
Prichard, West Virginia 25311

Re: Prichard Public Service District
Sewer Project 2000S-572

Dear Mr. Hazlett:

Upon consideration of the preliminary application, the West Virginia Infrastructure and Jobs Development Council (the "Council") recommends that the Prichard Public Service District (the "District") utilize the US EDA grant of $1,138,000 and the ARC grant of $1,000,000 to fund this $3,315,000 project.

The Infrastructure Council at its April 2, 2003 meeting voted to offer the District a binding commitment for an Infrastructure Fund loan of $877,000 (0%, 40 yrs) and an Infrastructure Fund grant of $300,000 to finance its project to construct a new wastewater treatment plant and collection system.

In order to receive the proposed binding commitment the District must adhere to a certain project schedule. Please contact Katy Mallory at 558-4607 by **May 30, 2003** to establish the necessary schedule and finalize the proposed binding commitment.

The Infrastructure Council also made the determination that the above referenced project met the criteria of section §31-15A-2(g) of the West Virginia Code, and therefore, should be deemed an emergency project. According to §31-15A-8(b) of the West Virginia Code, the Public Service Commission shall render its final decision on an application for a certificate of an emergency project within 120 days of the filing of the application.

Sincerely,

Russell L. Isaacs

cc: Misty Corns, PSC
Jimmy Boggs, Region II Planning & Development Council
S & S Engineers, Inc.
Sandra Squire, PSC

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
William J. Harman, PE, Vice Chairman
Grafton
Dwight Calhoun
Petersburg
William P. Stafford, II, Esquire
Princeton

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

Katy Mallory, PE
Executive Secretary

KMallory@ezwv.com

February 7, 2001

Arnold Hazlett, Chairman
Prichard Public Service District
P.O. Box 13
Prichard, West Virginia 25555

Re: Prichard Public Service District
Wastewater Project 2000S-572

Dear Mr. Hazlett:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Prichard Public Service District's (the "District") preliminary application regarding its proposed project to construct a 100,000 gpd wastewater treatment plant and collection system to serve approximately 225 new customers in the Prichard community of Wayne County (the "Project").

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

Upon consideration of the preliminary application, the Infrastructure Council recommends that the District pursue grant funding in an amount of $1,500,000 from EDA, Small Cities Block Grant and/or ARC grant programs. Please contact the WV Development Office at 558-4010 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from these agencies.**

The Infrastructure Council also determined the District may be eligible for Infrastructure Fund assistance of approximately $1,815,000; however, the Infrastructure Council's final decision regarding specific funding of the Project is deferred pending the District's readiness to proceed and availability of funds in the Infrastructure Fund. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

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

Sincerely,

James D. Williams

Enclosure
JDW/km

cc: Mike Johnson, DEP (w/o enclosure)
Debbie Legg, WVDO (w/o enclosure)
David Michael, HMB
Region II Planning & Development Council

West Virginia Infrastructure & Jobs Development Council

Public Members:
Russell L. Isaacs, Chairman
Cottageville
Henry Harmon, Vice Chairman
Hurricane
Dwight Calhoun
Petersburg
C.R. "Rennie" Hill, III
Beckley

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

Katy Mallory, PE

Executive Secretary
Katy.Mallory@verizon.net

May 15, 2003

Mr. Arnold Hazlett, Chairman
Prichard Public Service District
P.O. Box 13
Prichard, West Virginia 25311

Re: Prichard Public Service District
Sewer Project 2000S-572

Dear Mr. Hazlett:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $877,000 (the "Loan") and an Infrastructure Fund grant of approximately$300,000 (the "Grant") to the Prichard Public Service District (the "District") for above referenced wastewater project. (Project). The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amount will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan and Grant upon the District's compliance with the program requirements.

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

a. Submit Plans and Specifications to the Bureau for Public Health by January 15, 2004;
b. File Certificate Case with the Public Service Commission no later than January 15, 2004;
c. Advertise for bids no later than April 15, 2004
(The District must receive authority from the Infrastructure Council before bidding the project.)

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

If the District becomes aware that it will not meet one or more of the above schedule dates, the District should immediately notify the Infrastructure Council of this fact and the circumstances which have caused or will cause the District to be unable to meet the schedule. In addition, please immediately notify the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

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

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

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

Sincerely,

Russell L. Isaacs

RLI/km
Attachments
cc: Samme Gee, Esq., Jackson & Kelly
Ashok Sanghavi, P.E., S&S Engineers
Michelle Craig, Region II Planning & development Council
Kelly Dyke, Rep. Rahall's office
Byron Davis, USEDA
Ralph Goolsby, WVDO

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

Prichard Public Service District

By:_____

Its: _____

Date:_____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Prichard Public Service District
Wastewater Project 2000S-572
May 15, 2003

SCHEDULE A

A. Approximate Amount: $ 877,000 Loan

B. Loan: $ 877,000

1. Maturity Date: 40 years from date of closing.
2. Interest Rate: 0%
3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
5. Special Conditions: None

C. Grant: $300,000

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all IJDC loan funding.
2. Special Conditions: None

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

D. Other Funding: US EDA grant $1,138,000
ARC grant $1,000,000

E. Total Project Cost: $3,315,000

Project Schedule

Project: Prichard PSD
County: Wayne
Project Number: 2000S-572

Funding	
IJDC loan	$ 877,000
IJDC grant	300,000
EDA grant	1,138,000
ARC grant	1,000,000
Total:	$ 3,315,000

Action	Responsible Party	Start	Completion
Engineering Agreement	PSD / S&S	complete	complete
Prepare & Submit Plans & Specs to BPH	S&S	started	January 15, 2004
Plans & Specs. Review & Approval	BPH	January 15, 2004	March 1, 2004
Prepare & submit permit applications	S&S		January 15, 2004
O&M agreement w/ Huntington	PSD		January 15, 2003
Prepare Rule 42	Accountant		January 15, 2004
Pre-file w/ PSC (PSD only)	NA : emergency project		
File Certificate Case with PSC	Attorney		January 15, 2004
Review & Approve PSC Certificate	PSC	January 15, 2004	July 15, 2004
Rights-of-way, Easements & Land Acquisition	Attorney	January 2004	March 15, 2004
Authority to Advertise	IJDC / EDA		April 1, 2004
Advertise for Bids	PSD		April 15, 2004
Bid Opening	PSD / S&S		May 15, 2004
Loan Closing	PSD / Bond Counsel		August 15, 2004
Start Construction	Contractor / S&S	August 2004	August 2005

May 15, 2003

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the undersigned Chairman of Prichard Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 13th day of December, 2005, the Authority received the Prichard Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), issued in the principal amount of $817,354, as a single, fully registered Bond, numbered AR-1 and dated December 13, 2005 (the "Bonds").

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

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of $206,224, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority and the Council as acquisition and construction of the Project progresses.

WITNESS our respective signatures on this 13th day of December, 2005.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

PRICHARD PUBLIC SERVICE DISTRICT

By: Arnold Hazlett
Its: Chairman

05/12/05
448300.00002

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this the 13th day of December, 2005, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Prichard Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the principal amount of $817,354, dated December 13, 2005 (the "Bonds"), executed by the Chairman and Secretary of Prichard Public Service District (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution and a Supplemental Resolution, both duly adopted by the Issuer on December 8, 2005 (the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated December 13, 2005, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Loan Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of $206,224, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

PRICHARD PUBLIC SERVICE
DISTRICT

By: Arnold Hazlitt
Its: Chairman

11/18/05
727670.00002

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
PRICHARD PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $817,354

SPECIMEN

KNOW ALL MEN BY THESE PRESENTS: That on this 13th day of December, 2005, PRICHARD PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Wayne County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of EIGHT HUNDRED SEVENTEEN THOUSAND THREE HUNDRED FIFTY-FOUR DOLLARS ($817,354), 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, 2007, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated December 13, 2005.

This Bond is issued: (i) to refund the Issuer's Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund) (the "Prior Notes"); (ii) to fund the Series 2005 A Bonds Reserve Account (hereinafter defined); (iii) to pay a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); and (iv) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with

the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on December 8, 2005, and a Supplemental Resolution duly adopted by the Issuer on December 8, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2005 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 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

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

[SEAL]

Chairman

SPECIMEN

ATTEST:

Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2005 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 13, 2005.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$206,224	December 13, 2005	(13)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	5,342.19	-	5,342.19
12/01/2007	5,342.19	-	5,342.19
03/01/2008	5,342.19	-	5,342.19
06/01/2008	5,342.19	-	5,342.19
09/01/2008	5,342.19	-	5,342.19
12/01/2008	5,342.19	-	5,342.19
03/01/2009	5,342.19	-	5,342.19
06/01/2009	5,342.19	-	5,342.19
09/01/2009	5,342.19	-	5,342.19
12/01/2009	5,342.19	-	5,342.19
03/01/2010	5,342.19	-	5,342.19
06/01/2010	5,342.19	-	5,342.19
09/01/2010	5,342.19	-	5,342.19
12/01/2010	5,342.19	-	5,342.19
03/01/2011	5,342.19	-	5,342.19
06/01/2011	5,342.19	-	5,342.19
09/01/2011	5,342.19	-	5,342.19
12/01/2011	5,342.19	-	5,342.19
03/01/2012	5,342.19	-	5,342.19
06/01/2012	5,342.19	-	5,342.19
09/01/2012	5,342.19	-	5,342.19
12/01/2012	5,342.19	-	5,342.19
03/01/2013	5,342.19	-	5,342.19
06/01/2013	5,342.19	-	5,342.19
09/01/2013	5,342.19	-	5,342.19
12/01/2013	5,342.19	-	5,342.19
03/01/2014	5,342.19	-	5,342.19
06/01/2014	5,342.19	-	5,342.19
09/01/2014	5,342.19	-	5,342.19
12/01/2014	5,342.19	-	5,342.19
03/01/2015	5,342.19	-	5,342.19
06/01/2015	5,342.19	-	5,342.19
09/01/2015	5,342.19	-	5,342.19
12/01/2015	5,342.19	-	5,342.19
03/01/2016	5,342.19	-	5,342.19
06/01/2016	5,342.19	-	5,342.19
09/01/2016	5,342.19	-	5,342.19
12/01/2016	5,342.19	-	5,342.19

Date	Principal	Coupon	Total P+I
03/01/2017	5,342.19	-	5,342.19
06/01/2017	5,342.19	-	5,342.19
09/01/2017	5,342.19	-	5,342.19
12/01/2017	5,342.19	-	5,342.19
03/01/2018	5,342.19	-	5,342.19
06/01/2018	5,342.19	-	5,342.19
09/01/2018	5,342.19	-	5,342.19
12/01/2018	5,342.19	-	5,342.19
03/01/2019	5,342.18	-	5,342.18
06/01/2019	5,342.18	-	5,342.18
09/01/2019	5,342.18	-	5,342.18
12/01/2019	5,342.18	-	5,342.18
03/01/2020	5,342.18	-	5,342.18
06/01/2020	5,342.18	-	5,342.18
09/01/2020	5,342.18	-	5,342.18
12/01/2020	5,342.18	-	5,342.18
03/01/2021	5,342.18	-	5,342.18
06/01/2021	5,342.18	-	5,342.18
09/01/2021	5,342.18	-	5,342.18
12/01/2021	5,342.18	-	5,342.18
03/01/2022	5,342.18	-	5,342.18
06/01/2022	5,342.18	-	5,342.18
09/01/2022	5,342.18	-	5,342.18
12/01/2022	5,342.18	-	5,342.18
03/01/2023	5,342.18	-	5,342.18
06/01/2023	5,342.18	-	5,342.18
09/01/2023	5,342.18	-	5,342.18
12/01/2023	5,342.18	-	5,342.18
03/01/2024	5,342.18	-	5,342.18
06/01/2024	5,342.18	-	5,342.18
09/01/2024	5,342.18	-	5,342.18
12/01/2024	5,342.18	-	5,342.18
03/01/2025	5,342.18	-	5,342.18
06/01/2025	5,342.18	-	5,342.18
09/01/2025	5,342.18	-	5,342.18
12/01/2025	5,342.18	-	5,342.18
03/01/2026	5,342.18	-	5,342.18
06/01/2026	5,342.18	-	5,342.18
09/01/2026	5,342.18	-	5,342.18
12/01/2026	5,342.18	-	5,342.18
03/01/2027	5,342.18	-	5,342.18
06/01/2027	5,342.18	-	5,342.18
09/01/2027	5,342.18	-	5,342.18
12/01/2027	5,342.18	-	5,342.18

Date	Principal	Coupon	Total P+I
03/01/2028	5,342.18	-	5,342.18
06/01/2028	5,342.18	-	5,342.18
09/01/2028	5,342.18	-	5,342.18
12/01/2028	5,342.18	-	5,342.18
03/01/2029	5,342.18	-	5,342.18
06/01/2029	5,342.18	-	5,342.18
09/01/2029	5,342.18	-	5,342.18
12/01/2029	5,342.18	-	5,342.18
03/01/2030	5,342.18	-	5,342.18
06/01/2030	5,342.18	-	5,342.18
09/01/2030	5,342.18	-	5,342.18
12/01/2030	5,342.18	-	5,342.18
03/01/2031	5,342.18	-	5,342.18
06/01/2031	5,342.18	-	5,342.18
09/01/2031	5,342.18	-	5,342.18
12/01/2031	5,342.18	-	5,342.18
03/01/2032	5,342.18	-	5,342.18
06/01/2032	5,342.18	-	5,342.18
09/01/2032	5,342.18	-	5,342.18
12/01/2032	5,342.18	-	5,342.18
03/01/2033	5,342.18	-	5,342.18
06/01/2033	5,342.18	-	5,342.18
09/01/2033	5,342.18	-	5,342.18
12/01/2033	5,342.18	-	5,342.18
03/01/2034	5,342.18	-	5,342.18
06/01/2034	5,342.18	-	5,342.18
09/01/2034	5,342.18	-	5,342.18
12/01/2034	5,342.18	-	5,342.18
03/01/2035	5,342.18	-	5,342.18
06/01/2035	5,342.18	-	5,342.18
09/01/2035	5,342.18	-	5,342.18
12/01/2035	5,342.18	-	5,342.18
03/01/2036	5,342.18	-	5,342.18
06/01/2036	5,342.18	-	5,342.18
09/01/2036	5,342.18	-	5,342.18
12/01/2036	5,342.18	-	5,342.18
03/01/2037	5,342.18	-	5,342.18
06/01/2037	5,342.18	-	5,342.18
09/01/2037	5,342.18	-	5,342.18
12/01/2037	5,342.18	-	5,342.18
03/01/2038	5,342.18	-	5,342.18
06/01/2038	5,342.18	-	5,342.18
09/01/2038	5,342.18	-	5,342.18
12/01/2038	5,342.18	-	5,342.18

Date	Principal	Coupon	Total P+I
03/01/2039	5,342.18	-	5,342.18
06/01/2039	5,342.18	-	5,342.18
09/01/2039	5,342.18	-	5,342.18
12/01/2039	5,342.18	-	5,342.18
03/01/2040	5,342.18	-	5,342.18
06/01/2040	5,342.18	-	5,342.18
09/01/2040	5,342.18	-	5,342.18
12/01/2040	5,342.18	-	5,342.18
03/01/2041	5,342.18	-	5,342.18
06/01/2041	5,342.18	-	5,342.18
09/01/2041	5,342.18	-	5,342.18
12/01/2041	5,342.18	-	5,342.18
03/01/2042	5,342.18	-	5,342.18
06/01/2042	5,342.18	-	5,342.18
09/01/2042	5,342.18	-	5,342.18
12/01/2042	5,342.18	-	5,342.18
03/01/2043	5,342.18	-	5,342.18
06/01/2043	5,342.18	-	5,342.18
09/01/2043	5,342.18	-	5,342.18
12/01/2043	5,342.18	-	5,342.18
03/01/2044	5,342.18	-	5,342.18
06/01/2044	5,342.18	-	5,342.18
09/01/2044	5,342.18	-	5,342.18
12/01/2044	5,342.18	-	5,342.18
03/01/2045	5,342.18	-	5,342.18
06/01/2045	5,342.18	-	5,342.18
09/01/2045	5,342.18	-	5,342.18
Total	**$817,354.00**	**-**	**$817,354.00**

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:

_____

11/18/05
727670.00002

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, 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

December 13, 2005

Prichard Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Prichard Public Service District
Prichard, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Prichard 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 $817,354 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated December 13, 2005, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2007, and maturing September 1, 2045, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (I) refunding the Issuer's Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund) (the "Prior Notes"); (ii) funding the Reserve Account the Bonds; (iii) paying a portion of the costs of

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acquisition and construction of a public sewerage facilities of the Issuer (the "Project"); and (iv) paying certain costs of issuance of the Bonds and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on December 8, 2005, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 8, 2005 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

H. Wyatt Hanna, III

ATTORNEY AT LAW

512 D STREET • P.O. BOX 8070 • SOUTH CHARLESTON, WEST VIRGINIA 25303
(304) 744-3150 • FAX (304) 744-3157

December 13, 2005

Prichard Public Service District
Prichard, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

RE: Prichard Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Ladies and Gentlemen:

I am counsel to Prichard Public Service District, a public service district, in Wayne County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement for the Bonds dated December 13, 2005, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"), the Bond Resolution duly adopted by the Issuer on December 8, 2005, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 8, 2005 (collectively, the "Resolution"), orders of The County Commission of Wayne County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

I am of the opinion that:

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

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

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

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

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

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, all requisite orders, certificates and approvals from The County Commission of Wayne County, the West Virginia Department of Environmental Protection and the Council, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received all requisite orders and approvals from the Public Service Commission of West Virginia, including the Commission Orders entered on October 26, 2004, in Case No. 04-1149-PSD-ECN, and on August 19, 2005, in Case No. 05-0958-PSD-PC among other things, granting a certificate of convenience and necessity for the Project, approving the financing for the Project, approving the rates and charges for the System, and approving the operation and maintenance agreement

and the service agreement for the System. The time for appeal of both Commission Orders have expired prior to the date hereof without any appeal. Both Orders remain in full force and effect.

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

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

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

Very truly yours,

H. Wyatt Hanna, III

H. Wyatt Hanna, III
ATTORNEY AT LAW

512 D STREET • P.O. BOX 8070 • SOUTH CHARLESTON, WEST VIRGINIA 25303
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December 13, 2005

Prichard Public Service District
Prichard, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

RE: Prichard Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

FINAL TITLE OPINION

Ladies and Gentlemen:

I represent Prichard Public Service District, Wayne County, West Virginia ("District") with regard to the above referenced matter. This Final Title Opinion is being provided to you to satisfy certain requirements of the West Virginia Infrastructure and Jobs Development Council and West Virginia Water Development Authority with regard to the District's proposed sanitary sewer collection and treatment plant project. As such, please be advised of the following:

1. That I have investigated and ascertained the location of, and am familiar with the legal description of the necessary sites, including easements and/or rights-of-way for the project as described in Plans and Specifications prepared by S & S Engineers, Inc., of Charleston, West Virginia, the District's consulting engineer for this project.

2. That I have examined the necessary records on file in the Office of the Clerk of the County Commission of Wayne County, West Virginia, the county in which this project is to be located, and, in my opinion, the District has acquired legal title or such other estate or interest in the necessary site components for the above referenced project, including 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 facilities to be constructed.

3. That any deeds or other documents which have been acquired to date by the District have or will be recorded in the aforesaid Clerk's Office in order to protect the title of the owner and interest of the District.

4. That I have been advised by S & S Engineers, Inc., the consulting engineer for the District that all of the necessary permits as may be required by governing authorities have been or will be acquired without delay to the construction of this project.

If you should have any questions regarding this matter or any of the information contained in this letter, please do not hesitate to contact me.

Sincerely,

H. Wyatt Hanna, III

HWHIII/rb

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Prichard Public Service District in Wayne County, West Virginia (the "Issuer") and the undersigned COUNSEL to the Issuer hereby certify, on this 13th day of December, 2005, in connection with the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2005 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 December 8, 2005, and the Supplemental Resolution duly adopted December 8, 2005 (collectively, the "Bond Legislation").

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

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

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

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

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

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation of District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Notice of Filing

Minutes of Current Year Organizational Meeting

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

NPDES Permit

Environmental Health Services Permit

Evidence of Insurance

West Virginia Infrastructure & Jobs Development Council Grant Agreement

Evidence of the Economic Development Administration Grant

Evidence of the Appalachian Regional Commission Grant

Receipt of Payment of the Prior Notes

Operation and Maintenance Agreement with James Hundley

Service Agreement with the City of Kenova

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Prichard Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Wayne County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The Issuer operates the System in Wayne County, West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed,

insurance for the System required by the Bond Legislation and Loan Agreement is in full force and effect.

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

11. RATES: The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on October 26, 2004, in Case No. 04-1149-PSD-ECN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Order has expired prior to the date hereof without any appeal, and such rates and charges will become effective upon completion of the Project.

12. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Commission Orders of the Public Service Commission of West Virginia entered October 26, 2004, in Case No. 04-1149-PSD-ECN, and August 19, 2005, in Case No. 05-0958-PSD-PC among other things, granting to the Issuer a certificate of public convenience and necessity for the Project approving the financing for the Project and approving the rates and charges of the System and approving the operation and maintenance agreement and the Service Agreement for the System. The time for appeal of both Orders has expired prior to the date hereof without any appeal. Both Orders remains in full force and effect.

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

14. BOND PROCEEDS: On the date hereof, the Issuer received $206,224 from the Authority and the Council, being a portion of the principal amount of the Series 2005 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

15. GRANTS: As of the date hereof, the grant from the Economic Development Administration in the amount of $1,138,000, the grant from the Appalachian Regional Commission in the amount of $1,000,000 and the grant from the Council in the amount of $300,000 are committed for the Project and in full force and effect.

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

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

18. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

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

WITNESS our signatures and the official seal of PRICHARD PUBLIC SERVICE DISTRICT as of the date first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Arnold Hazlett	Chairman
Karen Yost	Secretary
_____	Counsel to Issuer

11/18/05
727670.00002

WITNESS our signatures and the official seal of PRICHARD PUBLIC SERVICE DISTRICT as of the date first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____	Counsel to Issuer

11/18/05
727670.00002

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, Ashok M. Sanghavi, Registered Professional Engineer, West Virginia License No. 6177, of S & S Engineers, Inc., Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of a public sewerage facility (the "Project" or the "System") of Prichard Public Service District (the "Issuer") to be constructed primarily in Wayne County, West Virginia, which acquisition and construction are being financed by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on December 8, 2005 (the"Resolution"), and the Loan Agreement for the Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated December 13, 2005 (the"Loan Agreement").

2. The Bonds are being issued for the purposes of (i) refunding the Issuer's Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund) (the "Prior Notes"); (ii) funding the Revenue Account for the Bonds; (iii) paying a portion of the costs of acquisition and construction of the Project and (iv) paying certain costs of issuance of the Bonds and related costs.

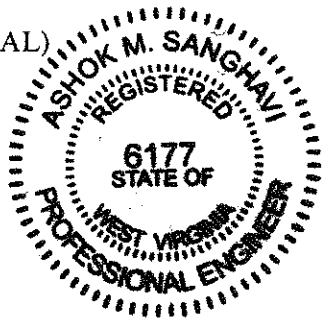
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and the Authority and any change orders approved by the Issuer, the Authority, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and in reliance upon the opinion of H. Wyatt Hanna, III, Esquire, 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; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved

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

WITNESS my signature and seal on this 13th day of December, 2005.

S & S ENGINEERS, INC.

(SEAL)



Ashok M. Sanghavi, P.E.
West Virginia License No. 6177

11/18/05
727670.00002

Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants Beckley Bridgeport Charleston Montgomery
405 Capitol Street ● Suite 908 ● Charleston, West Virginia 25301 ● 304-345-1151 ● Fax 304-346-6731

December 13, 2005

Prichard Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Prichard Public Service District
Prichard, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the sewer rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia in Case No. 04-1149-PSD-ECN, dated October 26, 2004, the projected operating expenses and the anticipated customer usage as furnished to me by S & S Engineers, Inc., Consulting Engineers, it is my opinion that the revenues from such rates and charges will be sufficient to provide for all operating expenses of the sewerage system (the "System") of Prichard Public Service District (the "Issuer"), and to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) to be issued on the date hereof.

Very truly yours,

Smith Cochran & Hicks

Smith, Cochran & Hicks, P.L.L.C.

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Prichard Public Service District in Wayne County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $817,354 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated December 13, 2005 (the "Series 2005 A Bonds" or "Bonds"), hereby certify, on this the 13th day of December, 2005, 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 December 8, 2005 (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 December 13, 2005, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2005 A Bonds (100% par value), and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2005 A Bonds were sold on December 13, 2005, to the Authority, pursuant to a loan agreement dated December 13, 2005, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $817,354 (100% of par), at which time, the Issuer received $206,224 from the Authority and the Council, being a portion of the principal amount of the Series 2005 A Bonds. No accrued interest has been or will be paid on the Series 2005 A Bonds. The balance of the principal amount of the Series 2005 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2005 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) refunding the Issuer's Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund) (the "Prior Notes"); (ii) funding the Series 2005 A Bonds Reserve Account; (iii) paying a portion of the costs of acquisition and construction of a public sewerage facilities of the Issuer (the "Project"); and (iv) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the acquisition and construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2005 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the acquisition and construction of the Project on or before September 1, 2007. The acquisition and construction of the Project is expected to be completed by June 1, 2007.

8. The total cost of the Project financed from the proceeds of the Bonds and grants is estimated at $3,255,354. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Series 2005 A Bonds	$ 817,354
Grant from the Council	$ 300,000
Grant from the Economic Development Admin.	$1,138,000
Grant from the Appalachian Regional Commission	$1,000,000
Total Sources	$3,255,354

USES

Acquisition and Construction of Project	$ 3,063,217.62
Paying the Prior Notes in Full	$ 148,767.38
Funding Series 2005 A Bonds Reserve Account	$ 21,369.00
Costs of Issuance	$ 22,000.00
Total Uses	$3,255,354

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2005 A Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2005 A Bonds Construction Trust Fund;

(4) Series 2005 A Bonds Sinking Fund; and

(5) Series 2005 A Bonds Reserve Account.

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

A. Series 2005 A Bonds proceeds in the amount of $148,767.38 shall be paid to the Commission to pay in full the entire outstanding principal of and all administrative fees on the Prior Notes.

B. Series 2005 A Bonds proceeds in the amount of $21,369 shall be deposited in the Series 2005 A Bonds Reserve Account.

C. The balance of the proceeds of the Series 2005 A Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2005 A Bonds Construction Trust Fund for payment of the costs of the acquisition and construction of the Project, including, without limitation, costs of issuance of the Series 2005 A Bonds and related costs.

11. Monies held in the Series 2005 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2005 A Bonds and will not be available to meet costs of acquisition and construction of the Project. Monies in the Series 2005 A Bonds Reserve Account will be used only for the purpose of paying principal of and interest, if any, on the Series 2005 A Bonds as the same shall become due, when other monies in the

Series 2005 A Bonds Sinking Fund are insufficient therefor. All investment earnings on monies in the Series 2005 A Bonds Sinking Fund and Series 2005 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2005 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 15 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 2005 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the acquisition and construction of the Project within 18 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2005 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 2005 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2005 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 2005 A Bonds Reserve Account and the Series 2005 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the acquisition and construction of the Project.

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

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

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

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

WITNESS my signature as of the date first written above.

PRICHARD PUBLIC SERVICE DISTRICT

By: Arnold Hazlett
Its: Chairman

11/18/05
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Whereas the President declared the motion duly carried and said resolution and order duly adopted on motion and vote.

A RESOLUTION AND ORDER FIXING A DATE OF HEARING ON THE CREATION OF A PROPOSED PUBLIC SERVICE DISTRICT WITHIN WAYNE COUNTY, WEST VIRGINIA; AND PROVIDING FOR THE PUBLICATION OF A NOTICE OF SUCH HEARING.

Whereas, there has heretofore been filed in the office of the Clerk of the County Court of Wayne County, West Virginia, a petition to the County Court, for the creation of a public service district within Wayne County, West Virginia; and,

Whereas, said County Clerk has presented such petition to this County Court at this meeting; and,

Whereas, pursuant to the provisions of Article 13A of Chapter 16 of the West Virginia Code this County Court, upon presentation of such petition, is required to fix a date of hearing on the creation of the proposed public service district:

NOW THEREFORE, Be It and It is Hereby Resolved and Ordered by the County Court of Wayne County, West Virginia, as follows:

Section 1. That the County Court of Wayne County, West Virginia, hereby finds and declares that there has been filed in the office of the Clerk of the County Court and presented by said Clerk of the County Court a petition for the creation of a public service district within Wayne County, West Virginia, which petition contains a description sufficient to identify the territory to be embraced within the proposed public service district and which petition has been signed by more than one hundred legal voters resident within and owning real property within the limits of the proposed public service district, and said County Court further finds and declares that said petition in all respects meets the requirements of Article 13A of Chapter 16 of West Virginia Code.

a public service district within Wayne County, West Virginia, which petition contains a description sufficient to identify the territory to be embraced within the proposed public service district and which petition has been signed by more than one hundred legal voters resident within and owning real property within the limits of the proposed public service district, and said County Court further finds and declares that said petition in all respects meets the requirements of Article 13A of Chapter 16 of West Virginia Code.

166

Section 2. That said petition, among other things, states as follows:

(a) The name and corporate title of said public service district shall be "THE PRICHARD PUBLIC SERVICE DISTRICT."

(b) That the territory to be embraced in said public service district shall be as follows: Within the limits of all the territory having a natural gravity drainage to the village of Prichard, Butler District, Wayne County, West Virginia, beginning at the mouth of Little Hurricane Creek, and with its drainage district east to a high point about 1,000 feet from the mouth, thence following said high land a southerly direction to Gregston Creek at a point near Bean Cemetery, thence a westerly direction to Big Sandy River, thence down Big Sandy River to the mouth of Little Hurricane Creek, the place of beginning as shown on a topographical map filed with the petition herein.

(c) The purpose of said public service district shall be the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of public service properties supplying water or sewage services, or both, within the territory of said proposed public service district, which water and sewer services are necessary and will be conducive to the preservation of the public health, comfort and convenience of such area. The words "public service properties" as used in this statement of purpose, shall mean and include any facility used or to be used for or in connection with the (1) diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other used, or the (2) collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes.

IN THE COUNTY COURT OF WAYNE COUNTY, WEST VIRGINIA

AT A REGULAR SESSION OF THE COUNTY COURT OF WAYNE COUNTY, WEST VIRGINIA, HELD AT THE COURTHOUSE THEREOF MONDAY, JANUARY 30, 1967,

PRESENT: Pearl Booth, President
Ira McCoy, Commissioner and
Barney Asbury, Commissioner

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The County Court of Wayne County, West Virginia, met this day in regular session, held this 30th day of January, 1967, at 10:00 o'clock, A. M., pursuant to law and the rules of said Court, at the Courthouse at Wayne, Wayne County, West Virginia.

The meeting was called to order and the roll being called, there were present Pearl Booth, President, presiding, and the following named Commissioners: Ira McCoy and Barney Asbury. [illegible] absent [illegible]

Ira McCoy introduced and caused to be read a proposed resolution and order entitled "A resolution and order fixing a date of hearing on the creation of a public service district within Wayne County, West Virginia, and providing for the publication of a notice of such hearing," and moved that all rules otherwise requiring deferred consideration be suspended and said proposed resolution and order be adopted.

Barney Asbury seconded the motion and after due consideration the President put the question on motion, and the roll being called the following voted, aye 3, nay, none.

168

(d) The territory described above does not include within its limits the territory of any other public service district organized under Article 13A of Chapter 16 of the West Virginia Code, nor does such territory include within its limits any city, incorporated town or municipal corporation, and is wholly within Butler Magistrial District.

Section 3. That on the 27th day of February, 1967, at the hour of 10 o'clock, A. M., this County Court shall meet in the County Courthouse at Wayne, West Virginia, for the purpose of conducting a public hearing on the creation of the public service district at which time and place all persons residing in or owning or having any interest in property in the proposed public service district may appear before the County Court and shall have an opportunity to be heard for and against the creation of said district, and at such hearing, this County Court shall consider and determine the feasibility of the creation of the proposed public service district.

Section 4. That the Clerk of the County Court is hereby authorized and directed to cause notice of such hearing and the time and place thereof, and setting forth a description of all the territory proposed to be included therein in substantially the form hereinafter set out to be published on February 8, 1967, in the Wayne County News, a newspaper of general circulation published in Wayne County.

- - - - - - - - - - - - - - -

NOTICE OF PUBLIC HEARING OF

PRICHARD PUBLIC SERVICE DISTRICT

Notice is hereby given that a legally sufficient petition has been filed with the Clerk of the County Court of Wayne County, West Virginia, and has been presented to the County Court of Wayne

County, West Virginia, for the creation of a public service district within Wayne County, West Virginia, for the purposes of construction or acquiring by purchase or otherwise and the maintenance, operation, improvement and extension of sewer facilities and the supplying of sewer services within said public service district, and also outside said district to the extent permitted by law; and for the purpose of construction or acquiring by purchase or otherwise a water system for said district to provide safe water for domestic, public, and industrial uses, including the right to build and maintain tanks, purification facilities, pipe lines and acquire real estate to be used in such facility, and do all things necessary to enable it to store and purify said water and convey by proper pipe lines to the consumers, to be named PRICHARD PUBLIC SERVICE DISTRICT, and having the following boundaries:

Within the limits of all the territory having a natural gravity drainage to the village of Prichard, Butler District, Wayne County, West Virginia, beginning at the mouth of Little Hurricane Creek, and with its drainage district east to high point about 1000 feet from its mouth, thence following said high land a southerly direction to Gragston Creek at a point near the Bean cemetery, thence a westerly direction to the Big Sandy River to the mouth of Little Hurricane Creek, the place of beginning.

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Wayne County, West Virginia, will conduct a public hearing for the purpose of considering and determining the feasibility of the creation of the proposed public service district and whether or not the construction or acquisition

170

by purchase, or otherwise, or maintenance, operation, improvement and extension of public service property by such public service district will be conducive to the preservation of public health, comfort and convenience to said area, on February 27, 1967, at 10:00 o'clock, A. M., in the County Courthouse at Wayne, Wayne County, West Virginia, at which time and place all interested persons may appear before said County Court and shall have an opportunity to be heard for and against the creation of said proposed public service district.

By order of the County Court this 30th day of January, 1967.

Clerk of the Wayne County Court

Adopted by the Wayne County Court January 30, 1967.

President

It is ordered that this Court do now adjourn until Wednesday, February 1, 1967 at 10:00 A. M.

PRESIDENT

ORDER

COUNTY COMMISSION OF WAYNE COUNTY

RE: ACTIVATION OF PRICHARD PUBLIC SERVICE DISTRICT

BY ORDER OF THE COUNTY COMMISSION OF WAYNE COUNTY, WEST VIRGINIA, THIS 28TH DAY OF FEBRUARY, 1994, THE PUBLIC ENTITY KNOWN AS THE PRICHARD PUBLIC SERVICE DISTRICT, CREATED BY ORDER OF THE WAYNE COUNTY COMMISSION ON THE 27TH DAY OF FEBRUARY, 1987, COUNTY COMMISSION RECORD BOOK 57, PAGE 209, IS HEREBY ACTIVATED WITH FULL POWERS AS SET OUT IN THE CODE OF WEST VIRGINIA, CHAPTER 16, ARTICLE 13A, SECTIONS 1 ET SEQUOR.

THIS ORDER WILL BECOME EFFECTIVE ON THE 28TH DAY OF FEBRUARY, 1994 AND SHALL CONTINUE IN FORCE UNTIL OR UNLESS FURTHER ACTION IS TAKEN BY THE COUNTY COMMISSION.

Pearl E. Booth

PEARL E. BOOTH, PRESIDENT
WAYNE COUNTY COMMISSION

James H. Booton

JAMES H. BOOTON, COMMISSIONER

William R. Wellman

WILLIAM R. WELLMAN, COMMISSIONER

BOOK 86
PAGE 619

20

NOTICE OF PUBLIC HEARING
OF PRICHARD PUBLIC
SERVICE DISTRICT

Notice is hereby given that a legally sufficient petition has been filed with the Clerk of the County Court of Wayne County, West Virginia, and has been presented to the County Court of Wayne County, West Virginia, for the creation of a public service district within Wayne County, West Virginia, for the purpose of construction or acquiring by purchase or otherwise and the maintenance, operation, improvement and extension of sewer facilities and the supplying of water services within said public service district, and also service sanitation to the extent permitted by law; and for the purpose of construction or acquiring by purchase or otherwise a water system for said district to provide safe water for domestic, public, and industrial uses, including the right to build and construct tanks, purification facilities, pipe lines and acquire real estate to be used in said facility, and do all things necessary to enable it to store and purify said water and convey by pressure pipe lines to the consumers, to be named PRICHARD PUBLIC SERVICE DISTRICT, and having the following boundaries:

Within the limits of all the territory having a natural gravity drainage to the village of Prichard, Butler District, Wayne County, West Virginia, beginning at the mouth of Little Harrisons Creek, and with its drainage district east to high point about 1000 feet from its mouth, thence following said high land a southerly direction to Grapevine Creek at a point near the bank cemetery, thence a westerly direction to the Big Sandy River to the mouth of Little Harrisons Creek, the place of beginning.

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Wayne County, West Virginia, will conduct a public hearing for the purpose of considering and determining the feasibility of the creation of the proposed public service district and whether or not the construction or acquisition by purchase, or otherwise, or maintenance, operation, improvement and extension of public service property by such public service district will be conducive to the preservation of public health, comfort and convenience to said area, on February 27, 1967, at three o'clock, A.M., in the County Courthouse at Wayne, Wayne County, West Virginia, at which time and places all interested persons may appear before said County Court and shall have an opportunity to be heard for and against the creation of said proposed public service district.

By order of the County Court this 30th day of January, 1967.

Frank Cantrell
Clerk of the Wayne County Court

Adopted by the Wayne County Court January 30, 1967.

Pearl E. Heath
President

1/3 Ito

FILED
COUNTY CLERK'S OFFICE
'67 FEB 27 AM 10:2
WAYNE COUNTY, W. VA.

Affidavit of Legal
Publication And Posting

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

I, Edward Chadwick
Gen. Mgr.

of WAYNE COUNTY NEWS, a weekly newspaper published in said county do hereby certify that the Notice attached hereto was published once a week for 1 successive weeks in said newspaper commencing on

February 8, 1967

and that a copy of said notice was posted at the front door of the Courthouse of Wayne County on

Feb. 8, 1967

Signed [signature]

Given under my hand this date:

Feb. 9, 1967

[signature]
Notary Public

My commission expires September 5, 1968.

Amount due for publishing annexed notice:

$ 12.90

Wayne, West Virginia

February 27, 1967

The County Court of Wayne County, West Virginia, met in regular session pursuant to law and to the rules of said Court at the Wayne County Courthouse, Wayne, West Virginia, at 10 o'clock A. M. The meeting was called to order and the roll being called, there were present Pearl E. Booth, President, presiding, and the following-named Commissioners: Ira McCoy and Barney Asbury. Absent - none.

This being the date fixed on January 30, 1967, and only advertised in the Wayne County News for conducting the public hearing on the creation of the proposed Prichard Public Service District, and the feasibility of establishing the same, as contemplated and provided for in a resolution and order adopted by the said County Court on January 30, 1967, the president announced that all persons residing in or owning or having any interest in property in such proposed public service district desiring to be heard against the creation of said district or its feasibility would be heard and all such interested persons desiring to be heard were given full opportunity.

The County Court then further discussed and considered the feasibility of the creation of said public service district, and it appearing to the Court and the Court accordingly doth find that such district is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water service and supplying sewage services within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of the residents of said area. And it further appears to this Court that no objection in writing had been filed by the requisite number of qualified voters registered and residing within said proposed public service district, and said County Court has given due consideration to all matters for which said hearing was offered; whereupon, Ira McCoy introduced and caused to be read a proposed resolution and order, entitled:

A RESOLUTION AND ORDER FINDING THE FEASIBILITY
OF CREATING PRICHARD PUBLIC SERVICE DISTRICT
IN WAYNE COUNTY, WEST VIRGINIA,

and moved that all rules otherwise requiring deferred consideration on several readings be suspended and that said proposed

[illegible] such creation [illegible]

[illegible] Barney Asbury [illegible]

[illegible] the President [illegible]

[illegible] called the following

[illegible]

Aye: [illegible]

Nay: None

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

The County Court then discussed and considered the creation of said public service district, whereupon Jim McCoy introduced and caused to be read a proposed resolution and order entitled:

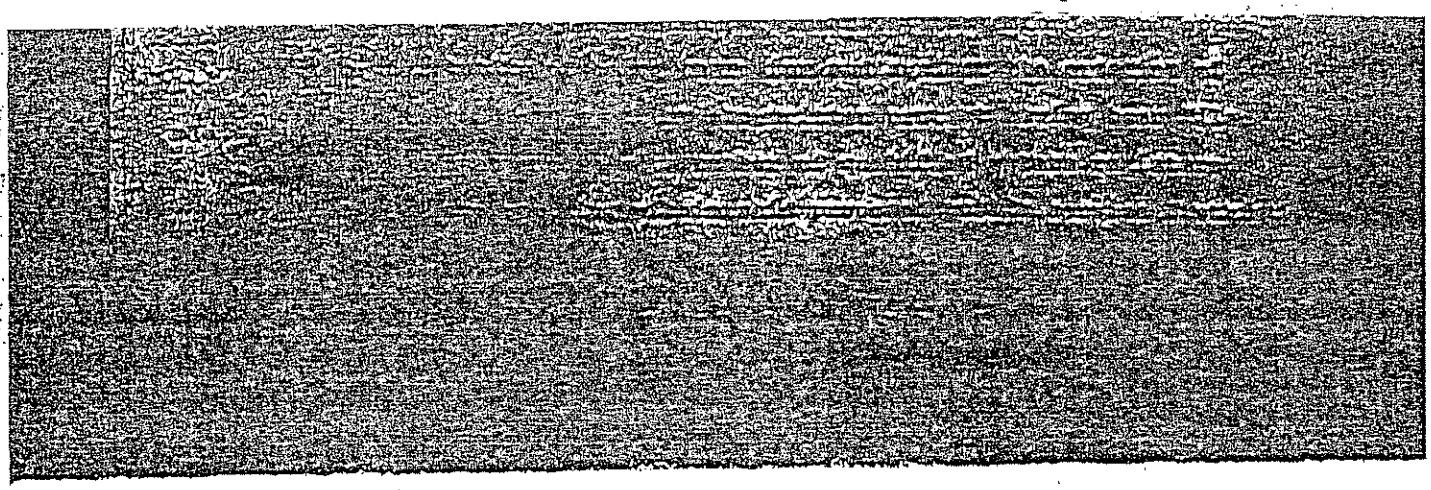
A RESOLUTION AND ORDER CREATING PRICHARD PUBLIC SERVICE DISTRICT IN WAYNE COUNTY, WEST VIRGINIA,

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted as follows:

A RESOLUTION AND ORDER CREATING PRICHARD PUBLIC SERVICE DISTRICT IN BUTLER MAGISTERIAL DISTRICT IN WAYNE COUNTY, WEST VIRGINIA

THEREAS, the County Court of Wayne County, West Virginia, did heretofore by resolution and order adopted January 30, 1967, fix a date for a public hearing on creation [illegible] feasible [illegible] the proposed Prichard Public Service District, and in said resolution and [illegible] published in the Wayne County Press, [illegible] published and of general circulation in said County [illegible] order to provide that all persons residing in and [illegible] [illegible] against the creation of said district [illegible]

THEREAS [illegible]



210

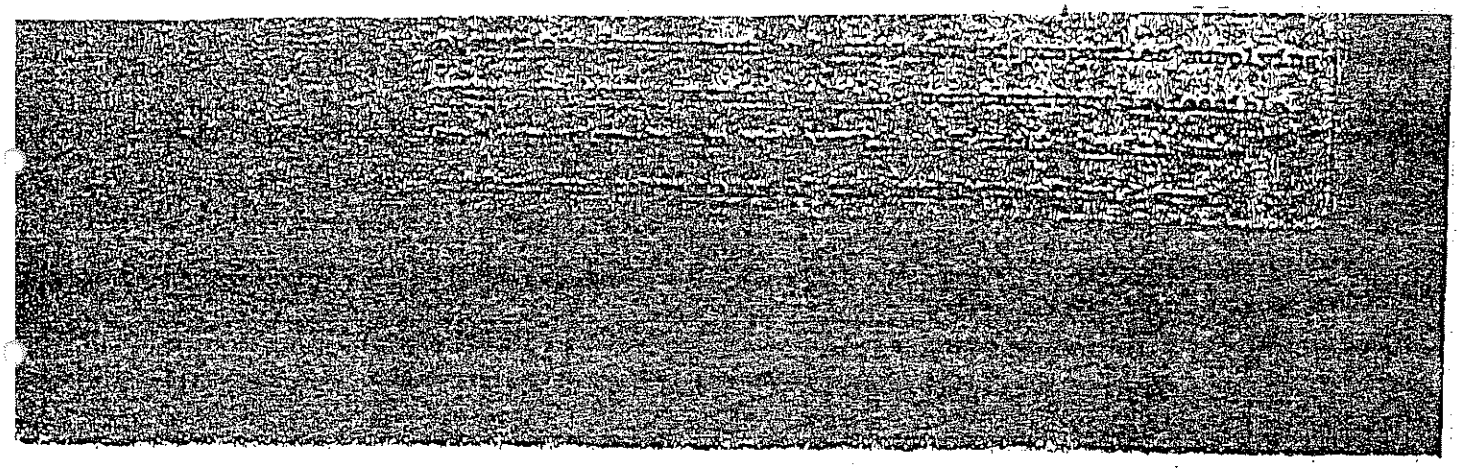
[illegible] THEREFORE, BE IT, AND IT IS HEREBY RESOLVED AND ORDERED by the County Court of Wayne County, West Virginia, as follows:

Section 1. That a public service district within Wayne County, West Virginia, is hereby created, and [illegible] district shall have the following boundaries:

Within the limits of all the territory having a natural gravity drainage to the village of Prichard, Butler District, Wayne County, West Virginia, beginning at the mouth of Little Hurricane Creek and within drainage district east [illegible] high point about 1000 feet from the mouth, [illegible] said high land a southerly direction to Crageton Creek, at a point near Bear Cemetery, thence a westerly direction to Big Sandy River, thence down Big Sandy River to the mouth of Little Hurricane Creek, the place of beginning as shown on a topographical map filed with the petition herein.

Section 2. That said public service district so created shall have the name and corporate title of PRICHARD 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 [illegible] Chapter 16, of the West Virginia Code.

Section 3. That the County Court of Wayne County, West Virginia, has determined that the territory within [illegible] West Virginia, having the hereinabove des[illegible]



Thereupon Barney Asbury seconded the motion and the foll being called the following voted:

Ays: 3

Nays: None

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

ADOPTED BY THE COUNTY COURT FEBRUARY 27, 1967.

Pearl F. Booth
President

Attest:

Frank Canterbury
Clerk

A RESOLUTION AND ORDER APPOINTING MEMBERS OF THE PUBLIC SERVICE BOARD FOR PRICHARD PUBLIC SERVICE DISTRICT

Ira McCoy introduced and caused to be read a proposed resolution and order to be adopted, and moved that all rules otherwise requiring deferred consideration or several readings be suspended, which proposed resolution and order is as follows:

WHEREAS, the County Court of Wayne County, West Virginia, did heretofore by resolution and order adopted February 27, 1967, created the PRICHARD PUBLIC SERVICE DISTRICT, and

WHEREAS, under the provisions of Article 13A, Chapter 16, of the West Virginia Code, the powers of said public service district shall be vested in and exercised by a public service board, and

WHEREAS, since there is no city, incorporated town or other municipal corporation included within said district, it is provided by Article 13A, Chapter 16, of the West Virginia Code that this County Court shall appoint three members of said board, who shall be persons residing within the district.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY RESOLVED AND ORDERED by the County Court of Wayne County, West Virginia, as follows:

Section 1. That the County Court of Wayne County, West Virginia, hereby finds and determines that _____ Fred Barney _____ and _____ Sam [illegible] _____ are persons residing

[illegible] order be adopted finding such creation of said [illegible] service district feasible. Barney Astury seconded the motion and [illegible] consideration, the President put the question on the motion and the roll being called, the following voted:

Aye: 3

Nay: None

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

The County Court then discussed and considered the creation of said public service district; whereupon Ira McCoy introduced and caused to be read a proposed resolution and order entitled:

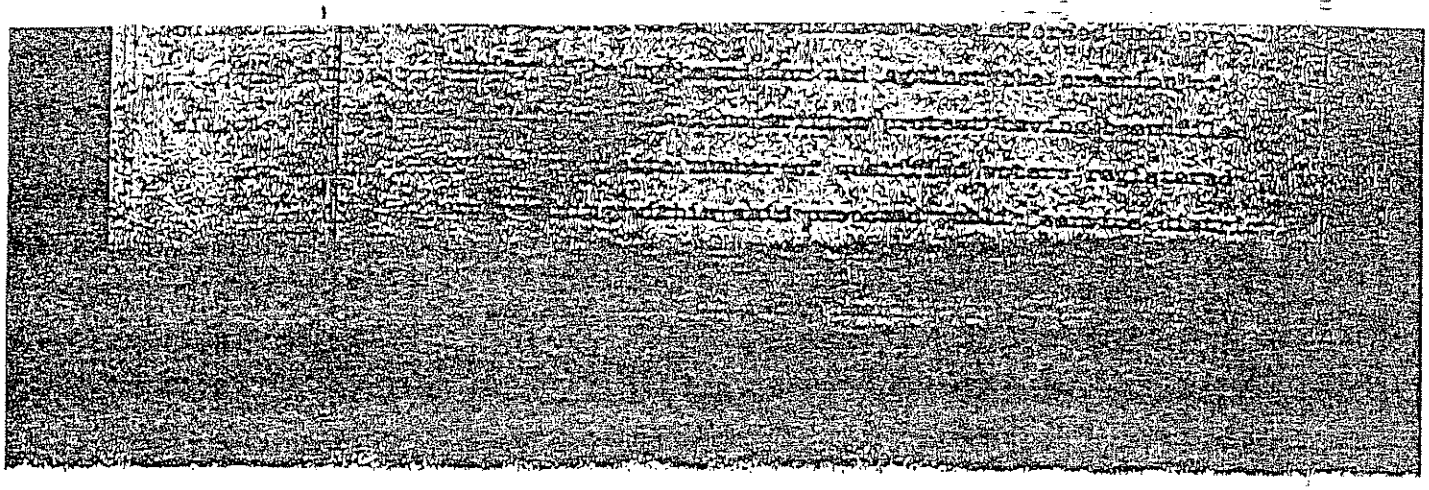
A RESOLUTION AND ORDER CREATING PRICHARD PUBLIC SERVICE DISTRICT IN WAYNE COUNTY, WEST VIRGINIA,

and moved that all rules otherwise requiring deferred consideration or several reading be suspended and said proposed resolution and order be adopted as follows:

A RESOLUTION AND ORDER CREATING PRICHARD PUBLIC SERVICE DISTRICT IN BUTLER MAGISTERIAL DISTRICT IN WAYNE COUNTY, WEST VIRGINIA.

WHEREAS, the County Court of Wayne County, West Virginia, did heretofore by resolution and order adopted January 30, 1967, fix a date for a public hearing on the creation, if feasible, of the proposed Prichard Public Service District, and in said resolution and order, duly published in the Wayne County News, only newspaper published and of general circulation in said County, and order to provide that all persons residing in and owning or having any interest in property in the proposed public service district might appear before the County Court [illegible] this meeting [illegible] the opportunity to be heard for and against the creation of said district; and

WHEREAS, notice of this hearing was [illegible] in the manner [illegible] said resolution and order [illegible]



212

persons are hereby appointed as members of the public service board of said district and their respective terms of office shall be as follows:

Hoover Asbury for a term of six years from February 1, 1967, being the first day of the month in which this resolution and order is adopted.

Fred Damron for a term of four years from February 1, 1967, being the first day of the month in which this resolution and order is adopted.

[illegible] for a term of two years from February 1, 1967, being the first day of the month in which this resolution and order is adopted.

Section 2. The aforesaid persons shall meet as soon as practicable at the office of the Clerk of said County Court and shall qualify by taking an oath of office, and thereafter said appointees constituting the initial public service board of Brichard Public Service District shall meet and organize in compliance with the provisions of Article [illegible] Chapter 16 of the West Virginia Code.

Thereupon, Barney Asbury seconded the motion and the roll being called the following voted:

Ayes: 3

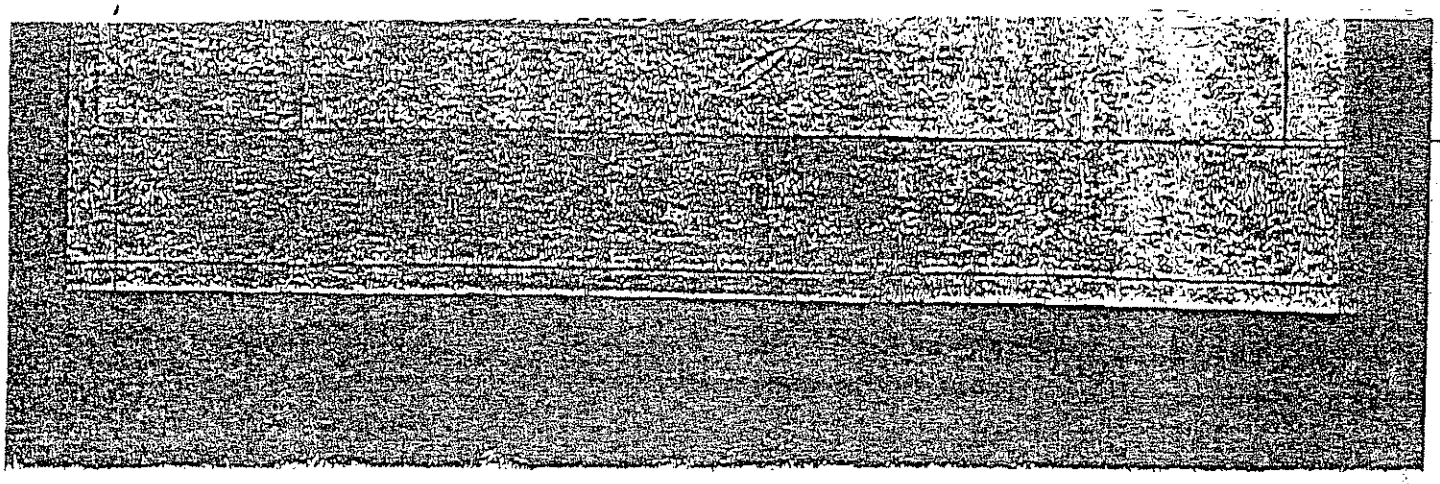
Nay: None

Whereupon, the President declared the motion duly carried and said resolution and order duly adopted.

ADOPTED BY THE COUNTY COURT FEBRUARY 27, 1967.

[signature]

President



At a Regular Session of the County Commission held at the Wayne County Courthouse on Monday, December 5, 2005.

	Charles Sammons	*President*
Present:	*Jim Booton*	*Commissioner*
	Rick Wellman	*Commissioner*

Meeting called to order by President Sammons at 10:05 a.m.

==========

Motion by Commissioner Booton to approve the exonerations, appointments made in Vacation, invoices and minutes of 12/01/05. Motion seconded by Commissioner Wellman. Unanimous vote.

==========

1st Appointment: Frank Gritt-Bonding Annex. Mr. Gritt from Gritt Law Offices came before the Commission explaining how Putnam County funded their Court Annex thru the selling of bonds.

==========

Visitors: Howard Osburn and Herb Dawson came before the Commission to inform them there will be an unveiling of the Revolutionary War Soldier Monument at Johnson-Nichols Funeral Home at 2:00 p.m. on Saturday. All dignitaries will be provided special seating. The Wayne County Genealogical and Historical Society will provide refreshments.

==========

Motion by Commissioner Booton to move into Executive Session at 11:08 a.m. for Personnel. Motion seconded by Commissioner Wellman.

Motion by Commissioner Wellman to return to Regular Session at 11:50 a.m. Motion seconded by President Sammons.

No official action taken.

==========

Visitor: Tom Murray, Special Council to the County Commission came before the Commission to discuss the Twelve Pole Valley LLC Project. Documents are ready to be signed. A tentative closing date has been set for 12/15/05. Mr. Sammons signed the aforementioned documents a President of the Commission under the authority of a previously signed Resolution.

==========

Visitor: Joe Penewski was present inquiring as to how he could apply for the position of Administrator.

==========

Motion by Commissioner Wellman to re-appoint Arnold Haylan and Ed Scott as members to the Prichard Public Service for six year terms. Motion seconded by President Sammons. Unanimous vote.

==========

Visitor: Robert Pasley, County Clerk, came before the Commission to discuss the loan agreement to purchase new voting machines.

==========

Motion by Commissioner Wellman to authorize President Sammons to sign the Procurement and Delivery Acceptance Agreement and Release Order for voting equipment. Motion seconded by Commissioner Booton. Unanimous vote.

==========

Motion by Commissioner Wellman to authorize President Sammons to sign the Annual Repayment Loan Agreement with the Secretary of State for voting equipment. Motion seconded by Commissioner Booton. Unanimous vote.

==========

Motion by Commissioner Wellman to move into Executive Session at 12:22 with the Assessor, Eric Hodges for Personnel. Motion seconded by Commissioner Booton.

Motion by Commissioner Wellman to return to Regular Session at 1:00 p.m. Motion seconded by Commissioner Booton.

No official action taken.

==========

Motion by Commissioner Booton to recess for lunch at 1:00 p.m. Motion seconded by Commissioner Wellman.

Motion by Commissioner Booton to reconvene at 1:30 p.m. Motion seconded by Commissioner Wellman.

==========

2nd Appointment: Canceled

==========

3rd Appointment: Scott Hanks of Marathon Petroleum came before the Commission asking if there is any local storm water management requirements that need to be meet before they move forward with their project.

==========

Motion by Commissioner Wellman to authorize President Sammons to sign the Certificate of Compliance with local storm water management regulations. Motion seconded by Commissioner Booton. Unanimous vote.

==========

4th Appointment: Shirley and Ed Chadwick appeared before the Commission concerning Leash Law. Ms. Chadwick presented the Commission with research which the Commission had previously asked her to prepare. Further discussion was held on the Leash Law matter.

==========

Motion by Commissioner Booton to authorize President Sammons to sign a contract with Kone, Inc. to furnish the installation, labor, materials, tools and supervision to repair the elevator in the amount of $2,866.00. Motion seconded by Commissioner Wellman. Unanimous vote.

==========

Motion by Commissioner Booton to approve the new Personnel Policy to be reviewed by all elected officials. Motion seconded by Commissioner Wellman. Unanimous vote.

==========

At a Regular Session of the County Commission held at the Wayne County Courthouse on June 1, 1998.

James Booton	*President*
Charles Sammons	*Commissioner*
Rick Wellman	*Commissioner*

Meeting called to order by President Booton, who presided at 10:00 a.m.

= = = = = = = = = = =

Motion by Commissioner Wellman to re-appoint Brenda Barbour to the Wayne County Library Board for another 5 year term beginning 1998 to 2003, pursuant to a request by said Board. Seconded by Commissioner Sammons. Vote unanimous.

= = = = = = = = = = =

Motion by Commissioner Sammons to approve minutes of May 18th and 26th of 1998. Seconded by Commissioner Wellman. Vote unanimous.

= = = = = = = = = = =

Motion by Commissioner Sammons to approve appointments made in vacation. Seconded by Commissioner Wellman. Vote unanimous.

= = = = = = = = = = =

Visitor, David Duncan appeared before the Commission regarding Closure of Culdesac on Greenbrier Drive. Motion by Commissioner Sammons to set hearing date for June 29, 1998 at 11:00 a.m. Seconded by Commissioner Wellman. Vote unanimous.

= = = = = = = = = = =

Motion by Commissioner Sammons to appoint Arnold Haslett and Karen Yost to the Prichard P.S.D. Board. Seconded by Commissioner Wellman. Vote unanimous..

= = = = = = = = = = =

Motion by Commissioner Sammons to do an addendum for the Family Lawmaster Rent Agreement to increase the rent to $700.00 a month effective July 1, 1998, which is reimbursed by the State Supreme Court. Seconded by Commissioner Wellman. Vote unanimous.

= = = = = = = = = = =

Motion by Commissioner Sammons to recess at 12:20 for lunch. Motion to reconvene by Commissioner Wellman at 2:00 p.m. Seconded by Commissioner Sammons. Vote unanimous.

= = = = = = = = = = =

Visitors, Bob Neal and Staff of Solid Waste Authority along with Sam Colvin appeared before the Commission asking for financial assistance in obtaining legal services. President Booton is to talk to County Prosecutor's Office and get back in touch with Solid Waste Authority.

= = = = = = = = = = =

I, EDDIE D. SCOTT SOLEMNLY SWEAR (OR AFFIRM) THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND I WILL FAITHFULLY DISCHARGE MY DUTIES AS TREASURER OF THE PRICHARD PUBLIC SERVICE DISTRICT, WAYNE COUNTY, WEST VIRGINIA TO THE BEST OF MY SKILL AND JUDGMENT, SO HELP ME GOD.

Eddie D. Scott
SIGNATURE

12-9-2005
DATE

STATE OF WEST VIRGINIA,
COUNTY OF WAYNE, TO-WIT;

SUBSCRIBED BEFORE ME, A NOTARY PUBLIC, BY EDDIE D. SCOTT ON THE 9TH DAY OF DECEMBER 2005 IN MY SAID COUNTY AND STATE.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ROBERT E. PASLEY
P. O. BOX 4
WAYNE, WV 25570-0004
My commission expires April 22, 2012

Robert E Pasley
NOTARY PUBLIC

MY COMMISSION EXPIRES APRIL 22, 2012

I, ARNOLD S. HAZLETT SOLEMNLY SWEAR (OR AFFIRM) THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND I WILL FAITHFULLY DISCHARGE MY DUTIES AS CHAIRMAN OF THE PRICHARD PUBLIC SERVICE DISTRICT, WAYNE COUNTY, WEST VIRGINIA TO THE BEST OF MY SKILL AND JUDGMENT, SO HELP ME GOD.

Arnold S Hazlett
SIGNATURE

12-9-05
DATE

STATE OF WEST VIRGINIA,
COUNTY OF WAYNE, TO-WIT;

SUBSCRIBED BEFORE ME, A NOTARY PUBLIC, BY ARNOLD S. HAZLETT ON THE 9TH DAY OF DECEMBER 2005 IN MY SAID COUNTY AND STATE.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ROBERT E. PASLEY
P. O. BOX 4
WAYNE, WV 25570-0004
My commission expires April 22, 2012

Robert E Pasley
NOTARY PUBLIC

MY COMMISSION EXPIRES APRIL 22, 2012

ROBERT E PASLEY
WAYNE County 10:17:16 AM
Instrument No 128967
Recorded Date 12/09/2003
Document Type OATH
Book-Page 2-83

0 9 2003

I, KAREN BALL YOST, SOLEMNLY SWEAR (OR AFFIRM) THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND I WILL FAITHFULLY DISCHARGE MY DUTIES AS COMMISSIONER OF THE PRICHARD PUBLIC SERVICE DISTRICT, WAYNE COUNTY, WEST VIRGINIA TO THE BEST OF MY SKILL AND JUDGMENT, SO HELP ME GOD.

Karen B. Yost
SIGNATURE

12/8/03
DATE

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

SUBSCRIBED BEFORE ME, A NOTARY PUBLIC, BY KAREN BALL YOST ON THE EIGHTH DAY OF DECEMBER 2003 IN MY SAID COUNTY AND STATE.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ROBERT E. PASLEY
P. O. BOX 4
WAYNE, WV 25570-0004
My commission expires April 22, 2012

Robert E. Pasley
NOTARY PUBLIC

BOOK 2
PAGE 83

DEC 0 9 2003

MY COMMISSION EXPIRES APRIL 22, 2012

Office of the Clerk of County Commission
Wayne County, West Virginia
The foregoing writing was this day presented in my office, and thereupon together with the certificate annexed, is admitted to record.

Robert E. Pasley, Clerk
Deloris Dillon Deputy

RULES OF PROCEDURE

PRICHARD PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: PRICHARD PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at Post Office Box 157, Prichard, Wayne County, West Virginia 25555.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Prichard Public Service District, and in the center "seal" as follows:

Section 4: The fiscal year of the District shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

This District is organized exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Wayne County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

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

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the second and fourth Thursdays of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, 2 members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Wayne County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Wayne County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary

or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 11th day of December, 2003.

H. Wyatt Hanna III
Attorney at law

H. Wyatt Hanna, III WV State Bar No. 1579

512 D Street • P. O. Box 8070 • South Charleston, West Virginia 25303
(304) 744-3150 • Fax (304) 744-3157

September 24, 2004

Ms. Sandra Squire
Executive Secretary
Public Service Commission of WV
201 Brooks Street
Charleston, WV 25301

VIA HAND DELIVERY

RE: Case No. 04-1149-PSD-ECN
Prichard Public Service District

Dear Ms. Squire:

This firm represents the Prichard Public Service District with regard to the above referenced matter. As such, enclosed please find, for filing, is the original and twelve (12) copies of an Affidavit of Publication which indicates that the required NOTICE OF FILING was published in the Wayne County News on July 30, 2004.

If you should have any questions, please do not hesitate to contact me.

Sincerely,

H. Wyatt Hanna, III

HWHIII/rb
cc: Prichard PSD
Ashok Sanghavi
Angie Vealey
Ron Robertson, Jr., Esquire
Jim Boggs

LEGAL ADVERTISEMENT LEGAL ADVERTISEMENT

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the PUBLIC COMMISSION OF WEST VIRGINIA in the City of Charleston on the 22nd day of July, 2004.

CASE NO. 04-1149-PSD-ECN

PRICHARD PUBLIC SERVICE DISTRICT

Emergency Application for a Certificate of Convenience and Necessity to construct a sanitary sewer collection and treatment system to serve approximately 234 customers and to construct a wastewater treatment plant facility.

NOTICE OF FILING

WHEREAS, on July 22, 2004, Prichard Public Service District filed an emergency application, duly verified, for a Certificate to construct a wastewater collection and treatment system to service [illegible] customers, including nine (9) industrial establishments. There are approximately seventeen (17) existing residential and nine (9) industrial customers currently being served by a wastewater collection and treatment system owned by the Huntington Area Development Corporation, and it is the intent of the Prichard Public Service District to acquire the existing wastewater collection system from this entity.

The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the Prichard Public Service District (District) estimates that construction will cost approximately $3,315,000.00. It is proposed that the construction will be financed as follows:

Economic Development Administration Grant	$1,138,000.00
Appalachian Regional Commission Grant	$1,000,000.00
West Virginia Infrastructure and Jobs Development Council Grant	$300,000.00
West Virginia Infrastructure and Jobs Development Council Loan (at 0% for a term of 40 years)	$877,000.00

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

APPLICABILITY

Applicable in the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial service.

RATES

The rate per 1,000 gallons used per month $6.85

MINIMUM CHARGE

The monthly minimum charge will be based on 2,000 gallons.

5/8 inch meter	$13.70 per month
3/4 inch meter	$20.55 per month
1 inch meter	$34.25 per month
1 1/2 inch meter	$68.50 per month
2 inch meter	$109.60 per month
3 inch meter	$205.50 per month
4 inch meter	$342.50 per month
6 inch meter	$685.00 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days

Affidavit of Legal Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:

I, *Thomas J. George*
publisher of the WAYNE COUNTY NEWS
newspaper published in the COUNTY (
WAYNE, STATE OF WEST VIRGINI
hereby certify that the annexed publication w
inserted in said newspaper on the following dat

July 30, 04

commencing on the *30th*
day of *July* 20 *04*
Given under my hand this *23 rd* day
of *Sept.* 20 *04*

Thomas J. George

Sworn to and subscribed before me this
23rd day of *Sept*,
20 *04*, at Wayne, Wayne County, West
Virginia.

Ruth A. Adkins
NOTARY PUBLIC

of, in and for WAYNE COUNTY, WEST VIRGINIA.

MY COMMISSION EXPIRES: Nov. 18, 2009

Amount Due for Publishing Annexed Notice

$ *109.27*

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
RUTH A. ADKINS
3921 Green Valley Rd.
Huntington, WV 25701
My Commission Expires November 18, 2009

	[illegible] per month
2 inch meter	$109.60 per month
3 inch meter	$205.50 per month
4 inch meter	$342.50 per month
6 inch meter	$685.00 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where appropriate.

CONNECTION CHARGE

Subsequent to completion of construction adjacent to the user's property- $200.00
During construction- $0.00_____
After construction passes the premises to be served, charge for connection to system- $200.00.

The Prichard Public Service District currently does not have any rates and charges, nor a tariff approved by the Public Service Commission of West Virginia.

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

Prichard Public Service District does not have any resale customers.

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that Prichard Public Service District give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Wayne County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases or to participate in future proceedings. All protests or requests to intervene should 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.

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

FOR THE COMMISSION:
Sandra Squire
Executive Secretary
7/30 1tc

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
RUTH A. ADKINS
3921 Green Valley Rd.
Huntington, WV 25701
My Commission Expires November 16, 2009

Prichard Public Service District Meeting Minutes

Date of Meeting: January 27, 2005

Present: Arnold Hazlett, Chairman
Karen Yost, Secretary
Eddie Scott, Treasurer
Jim Boggs, Region II Planning and Development Office
Jesse Parker, S&S Engineers, Inc.

I, Karen Yost, Secretary of the Prichard Public Service District, hereby certify that the following is a true and correct excerpt of the minutes of the said Public Service District Board:

*** *** ***

The Prichard Public Service District held its regular meeting on Thursday, January 27, 2005 at the Prichard Volunteer Fire Department. Chairman Arnold Hazlett called the meeting to order at 7:15 p.m. Reading of the December 2004 minutes was waived.

Mr. Hazlett reported on the meeting that was held with the mayor of the City of Kenova regarding the possibility of contracting with Kenova for billing and operation and maintenance services for the District. He reported that the meeting had gone well and felt positive about Kenova's desire to provide these services.

If Kenova was to provide the billing services for the District, the payments would be sent to Kenova and Kenova would transfer the money into the District's account. Kenova then bills the District for billing services. Since Kenova provides the water for Prichard, billing the sewer should not be to difficult as there would be a consolidated bill, and Kenova already has the residents and businesses of Prichard in its database. Mr. Boggs provided sample billing services agreements for review by the District.

Angie Vealey of Smith, Cochran, and Hicks, had asked the Mayor to estimate the amount of time it would take for billing services and provided a sample analysis of billing and collection costs. She will provide a similar analysis once she has received Kenova's estimate.

The possibility of providing operation and maintenance services was also discussed. Mr. Hazlett and Mr. Boggs reported that the City of Kenova might be interested in providing these services, and had said that it could hire someone on a part-time basis to operate the Prichard plant.

Kenova voiced several concerns. One was the issue of adjustments for the filling of swimming pools. The City also typically adjusts the water bill if the consumer has had a leak. It would be possible to incorporate requests for such adjustments in the contract.

Kenova had also said that customers would be required to pay a one time $50.00 deposit at the time of hook up that would be refunded after a year if there were no problems with collection. There was some concern that this might be seen as deceitful since the District had reported that there would be no hook-up fee if this were accomplished at the time of construction.

A follow-up meeting with Kenova has been scheduled for next Monday, January 31, 2005 at 10:00 a.m. at the Municipal Building. Members of the District, Mr. Sanghavi of S&S Engineers, and Jim Boggs will also be present. Should Kenova not be interested in providing operation and maintenance services, Mr. Sanghavi will contact Daniel Queen from Wayne. Mr. Boggs had spoken with Jim Davis but he was not interested as he is preparing to retire soon.

The WV/NPDES draft permit has been received. The permit includes the requirement for additional metal testing by Allevard and Applicare once the system is in operation. Another requirement will be a sludge management plan once the system is in operation. With no further business before the District, the meeting was adjourned at 8:00 p.m. Mr. Sanghavi of S&S will respond to the draft permit. The permit will require a $100 annual fee.

The District has received a letter from Smith, Cochran, and Hicks with an agreement letter for bookkeeping and tax services. The agreement was reviewed and upon motion by Karen Yost and second by Ed Scott, the agreement was approved. Mr. Hazlett signed the agreement and it will be returned to Smith, Cochran, and Hicks.

The status of the rights of way was discussed. The District has obtained 83% of the needed. Although this is sufficient at the present time, eventually they will all need to be obtained, either through signature or condemnation. The District has determined that additional rights of way may be possible and will proceed. Mr. Parker reported that he would contact Wyatt Hanna about the status of the deeds for the pump stations.

The organizational structure for 2005 was discussed. It was recommended that the current officers stand for 2005. This was approved by the District. The officers for 2005 include Chairman – Arnold Hazlett, Secretary – Karen Yost, and Treaturer – Eddie Scott.

CERTIFICATION

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

WITNESS my signature on this 27th day of January 2005.

Karen Yost

Karen Yost, Secretary

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

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

On this 13th day of December, 2005, the undersigned SECRETARY of the Public Service Board of Prichard Public Service District, hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Prichard Public Service District met in regular session, pursuant to notice duly posted, on the 8th day of December, 2005, in Prichard, West Virginia, at the hour of 5:30 p.m.

PRESENT:	Chairman	-	Arnold Hazlett
	Secretary	-	Karen Yost
	Treasurer	-	Eddie Scott

ABSENT: None.

Arnold Hazlett, Chairman, presided, and Karen Yost acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

RESOLUTION AUTHORIZING THE PAYMENT OF THE SEWERAGE SYSTEM DESIGN NOTES, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF PRICHARD

PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $817,354 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF PRICHARD PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE BONDS; AUTHORIZING AND APPROVING THE SALE OF THE BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

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

*** *** ***

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

CERTIFICATION

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

WITNESS my signature as of the date first written above.

Karen Yost
Secretary

11/18/05
727670.00002

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

NEW ISSUE REPORT FORM

Date of Report: December 13, 2005

(See Reverse for Instructions)

ISSUE: Prichard Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)

ADDRESS: Post Office Box 206, Prichard, West Virginia 25555 COUNTY: Wayne

PURPOSE OF ISSUE: New Money: X
Refunding: X

REFUNDS ISSUE(S) DATED: 12/17/2003

ISSUE DATE: December 13, 2005

CLOSING DATE: December 13, 2005

ISSUE AMOUNT: $ 817,354

RATE: 0%

1ST DEBT SERVICE DUE: 9/1/2007

1ST PRINCIPAL DUE: 9/1/2007

1ST DEBT SERVICE AMOUNT: $ 5,342.19

PAYING AGENT: Municipal Bond Commission

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

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

CLOSING BANK: Community Trust Bank
Contact Person: Sandy Mills
Phone: (304) 648-7200

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Karen Yost
Position: Secretary
Phone: (304) 526-9140

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

DEPOSITS TO MBC AT CLOSE:
By: ____ Wire
____ Check

____ Accrued Interest: $_____
____ Capitalized Interest: $_____
X Reserve Account: $ 21,369
X Other: Pay off Prior Notes $ 148,767.38

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

____ To Escrow Trustee: $_____
____ To Issuer $_____
____ To Cons. Invest. Fund $_____
____ To Other: _____ $_____

NOTES: (1) Series 2005 A Bonds Reserve Account will be fully funded at closing with bond proceeds of $21,369.
(2) The Issuer's Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund), will be paid in full at closing with bond proceeds of $148,767.38.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

CH791211.1

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

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

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

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

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

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

11/18/05
727670.00002

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Community Trust Bank, Fort Gay, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution of Prichard Public Service District (the "Issuer"), both adopted December 8, 2005 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated December 13, 2005, issued in the principal amount of $817,354 (the "Bonds"), as set forth in the Bond Legislation.

WITNESS my signature on this 13th day of December, 2005.

COMMUNITY TRUST BANK

By: Danny Maynard
Its: Authorized Officer

11/18/05
727670.00002

CH791093.1

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Prichard Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated December 13, 2005, issued in the principal amount of $817,354 (the "Bonds"), and agrees to perform all duties of Registrar in connection with such Bonds, as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 13th day of December, 2005.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11/18/05
727670.00002

CH791129.1

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Prichard Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Prichard Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated December 13, 2005, in the principal amount of $817,354, numbered AR-1, is registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 13th day of December, 2005.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11/18/05
727670.00002

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 13th day of December, 2005, by and between PRICHARD 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 $817,354 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated December 13, 2005, in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted December 8, 2005, and the Supplemental Resolution of the Issuer duly adopted December 8, 2005 (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: Prichard Public Service District
Post Office Box 206
Prichard, West Virginia 25555
ATTN: Chairman

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

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

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

[Remainder of Page Intentionally Left Blank]

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

PRICHARD PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11/18/05
727670.00002

EXHIBIT A

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

SCHEDULE OF COMPENSATION

(Please see the attached)

11/18/05
727670.00002

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

Huntington

STATEMENT OF TRUSTEE'S FEES
Invoice Date December 13, 2005

Prichard Public Service District
Account Number 6089001809

Prichard Public Service District
Sewer Revenue Bonds, Series 2005 A
C/O John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR December, 2005

****

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

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

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

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT
601 57TH STREET SE
CHARLESTON, WV 25304-2345

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0105732
SUBJECT: Sewage

ISSUE DATE: March 21, 2005
EFFECTIVE DATE : April 20, 2005
EXPIRATION DATE: March 20, 2010
SUPERSEDES: N/A

LOCATION: PRICHARD	Wayne	Big Sandy River
(City)	(County)	(Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: PRICHARD PUBLIC SERVICE DISTRICT
PO BOX 157
PRICHARD, WV 25555

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:
Acquire, construct, install, operate and maintain a wastewater collection system consisting of 7,766 linear feet of six(6) inch diameter gravity sewer line, 18,563 linear feet of eight(8) inch diameter gravity sewer line, 116 manholes, 17 cleanouts, seven(7) lift stations, 459 linear feet of one and a quarter(1 1/4) inch diameter force main, 372 linear feet of one and a half(1 1/2) inch diameter force main, 2,147 linear feet of two(2) inch diameter force main, 2,641 linear feet of three(3) inch diameter force main and all necessary appurtenances.

To acquire, construct, install, operate and maintain a 0.1 mgd wastewater treatment facility consisting of a bar screen, a 100,000 gallon extended aeration chamber, a clarifier with a volume of 31,322 gallon and a surface area of 480 square feet, a aerated sludge holding tank, a ultraviolet dechlorination unit and all necessary appurtenances.

The facility is to serve a maximum 1,000 persons or equivalents in the Community of Prichard and in the Prichard Industrial Park in the Prichard Public Service District and discharging treated wastewater to the Big Sandy River (approximately 14.8 miles from its mouth) of the Ohio River.

This permit is subject to the following terms and conditions :
WV Bureau of Public Health Permit No. 16,085.

The information submitted on and with Permit Application No. WV0105732 dated the 3rd day of June 2004 is all hereby made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein and with other conditions set forth in Sections A, B, C, D and Appendix A.

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES
815 QUARRIER STREET, SUITE 418 CHARLESTON, WEST VIRGINIA 25301-2616
TELEPHONE 304-558-2981

PERMIT

PROJECT: (Sewage) Wastewater Collection System and 100,000 G.P.D. Wastewater Treatment Plant PERMIT NO.: 16,085

LOCATION: Prichard COUNTY: Wayne DATE: 5/28/04

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

Prichard Public Service District
P. O. Box 157
Prichard, West Virginia 25555

is hereby granted approval to: install approximately 18,563 LF of 8" and 7,766 LF of 6" sewer line; necessary manholes; four (4) duplex submersible wastewater pump stations; three (3) simplex grinder pump stations; approximately 459 LF of 1 1/4", 372 LF of 1 1/2", 2,147 LF of 2" and 2,641 LF of 3" sewage force main; and all necessary controls and appurtenances. Also, to install a 100,000 G.P.D. extended aeration wastewater treatment plant with a bar screen, aerated sludge holding, ultraviolet disinfection and piping of effluent discharge to the Big Sandy River. The wastewater treatment plant is to be enclosed by a minimum six (6) feet high fence with a locking gate.

Facilities are to primarily serve 234 customers in Prichard and in the Prichard Industrial Park in the Prichard Public Service District.

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

The Environmental Engineering Division of the St. Albans District Office (304-722-0611) is to be notified when construction begins.

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

FOR THE DIRECTOR

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

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **December 13, 2005**

RE: **PRICHARD PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)**

1. **DISBURSEMENTS TO PRICHARD PUBLIC SERVICE DISTRICT**

A.

Payor:	West Virginia Infrastructure and Jobs Development Council
Amount:	$36,087.62
Form:	Wire Transfer
Payee:	Prichard Public Service District
Bank:	Community Trust Bank, Fort Gay
Routing #:	042102694
Account #:	4001473265
Contact:	Sandy Mills (304.648.7200)
Account:	Prichard Public Service District Series 2005 A Bonds Construction Trust Fund

2. DISBURSEMENTS TO THE WV MUNICIPAL BOND COMMISSION

A.

Payor:	West Virginia Infrastructure and Jobs Development Council
Amount:	$148,767.38
Form:	Wire Transfer
Payee:	West Virginia Municipal Bond Commission
Bank:	Branch Banking and Trust Company
Routing #:	051503394
Account #:	5270517317
Contact:	Sara Boardman (304.558.3971)
Account:	Notes Payment Fund to pay in full the outstanding principal and all administrative fees on the Sewerage System Design Notes, Series 2003 A (West Virginia Infrastructure Fund)

B.	Payor:	West Virginia Infrastructure and Jobs Development Council
	Amount:	$21,369
	Form:	Wire Transfer
	Payee:	West Virginia Municipal Bond Commission
	Bank:	Branch Banking and Trust Company
	Routing #:	051503394
	Account #:	5270517317
	Contact:	Sara Boardman (304.558.3971)
	Account:	Fully fund the Series 2005 A Bonds Reserve Account

11/18/05
727670.00002

State of West Virginia
WATER DEVELOPMENT AUTHORITY
180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

BOND CLOSING ATTENDANCE LIST

Date 12/13/05 Time 10 a.m. LGA Prichard PSD Program IF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Doug Olds	WVWDA	558-3612	558-0299	dolds@wvwda.org
John Stump	Steptoe & Johnson PLLC	353.8196	353.8181	john.stump@steptoejohnson
Franki Parsons	Jackson Kelly PLLC	340-1283	340-1272	fparsons@jacksonkelly.com
BERNIE YONKOSKY	WVWDA	558-3612	558-0299	[illegible]@wvwda.org

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 Karen Yost, Secretary Telephone 304.526.9140 E-Mail N/A
Address P.O. Box 206, Prichard West Virginia 25555

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.

PUBLIC OFFICIAL BOND

BOND # 4003133

KNOW ALL MEN BY THESE PRESENTS: That we, Eddie D Scott as Principal, and the RLI Insurance Company, a corporation organized under the laws of the State of IL, and authorized to transact business in the State of West Virginia as Surety, are held and firmly bound unto Prichard Public Service District

in the sum of One Hundred Thousand and No/100ths

($ 100,000) DOLLARS, lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, legal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden Principal has been duly elected or appointed to the office of _____

for a term beginning _____, *and ending _____;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That if the Principal shall well, truly and faithfully execute and perform the duties of said office during said term, according to all laws now in force or which may be enacted subsequent to the execution of this bond, then this obligation shall be void; otherwise it shall remain in full force and effect.

Dated December 13, _____.

Eddie D Scott

BY: _____

RLI Insurance Company

BY: _____

Attorney-In-Fact

*If appointment is for an indefinite term strike out "and ending _____".

RLI Insurance Co.
P.O. Box 3967
Peoria, IL 61612-3967

POWER OF ATTORNEY
(Irrevocable)

BOND NO. RSB- 4003133

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired. That **RLI INSURANCE COMPANY**, an Illinois corporation, does hereby make, constitute and appoint

TED V. KLUEMPER, JR., KIM BROWN OF HUNTINGTON, WEST VIRGINIA

its true and lawful Agent and Attorney-in-Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following bonds.

(Shaded area printed blue indicates authenticity)

An ORIGINAL bond required by Statute, Decree of Court or Ordinance for:	AUTHORITY LIMIT
(A) FIDUCIARY	
ADMINISTRATOR'S, PERSONAL REPRESENTATIVE'S AND EXECUTOR'S	$500,000
GUARDIAN'S, CONSERVATEE'S OR CONSERVATOR'S OF INCOMPETENT ADULTS	$250,000
BANKRUPTCY TRUSTEE'S OR RECEIVER'S TO LIQUIDATE	$250,000
REFEREE'S, TRUSTEE'S, AND COMMISSIONER'S TO SELL REAL ESTATE	$ 50,000
RECEIVER'S IN STATE COURT ONLY	$ 50,000
TESTAMENTARY TRUSTEE'S	$ 10,000
GUARDIAN'S OR CONSERVATOR'S OF MINORS	
(B) COURT	$ 25,000
PLAINTIFF'S BOND (EXCEPT RESTRAINING ORDER, INJUNCTION AND BAIL BONDS)	$200,000
(FOR BANKS)	No Authority
DEFENDANT'S BOND	
(C) LICENSE AND PERMIT	$ 25,000
COUNTY, CITY, TOWN, VILLAGE OR OTHER MUNICIPALITY AS OBLIGEE	No Authority
STATE AS OBLIGEE (Except the following bonds)	$ 5,000
SPECIAL FUEL USER BOND	
Alcohol Beverage Control (Liquor) Bond	$ 10,000
Auctioneer or Auctioneer Apprentice Bond	$ 10,000
Beer Bond	$ 10,000
Real Estate Broker or Salesman Bond	$ 10,000
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
UNITED STATES OF AMERICA OR OTHER BRANCH OF THE FEDERAL GOVERNMENT	No Authority
(D) CONTRACT OR PERFORMANCE OR LABOR AND MATERIAL OR SUB-DIVISION OR SITE IMPROVEMENT OR MAINTENANCE OR CONSTRUCTION BID BONDS	No Authority
(E) PUBLIC OFFICIAL	$ 50,000
NOTARY	$ 50,000
ANY PUBLIC OFFICIAL AND DEPUTIES (Except Agents for Fish and Game License)	
(F) ANY BOND OF INDEMNITY, PROVIDED THERE IS ATTACHED TO THIS POWER OF ATTORNEY WRITTEN AUTHORITY IN THE FORM OF AN ENDORSEMENT OR LETTER, SIGNED BY THE PRESIDENT, VICE PRESIDENT, SECRETARY, TREASURER OR ASSISTANT SECRETARY OF RLI INSURANCE COMPANY SPECIFICALLY AUTHORIZING ITS EXECUTION. FOR CONFIRMATION OF THE WRITTEN AUTHORITY, PLEASE CONTACT RLI INSURANCE COMPANY AT 800-645-2402 (309-692-1000 IN ILLINOIS)	As Determined By RLI Insurance Company

Note: Authority Limit refers to the aggregate amount for any single obligation, regardless of the number of instruments issued for that obligation. THIS POWER OF ATTORNEY does not authorize any OPEN PENALTY BONDS OR UTILITY BONDS.

The acknowledgment and execution of any such document by the said Attorney-in-Fact, shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

RLI Insurance Company further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force, to-wit: "All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the said RLI INSURANCE COMPANY has caused these presents to be executed by its President with its corporate seal affixed this 1st day of MARCH, 2000.

RLI INSURANCE COMPANY

[signature] President

ATTEST [signature] Secretary

State of Illinois)
) SS
County of Peoria)

On this 1st day of March, 2000, personally came before me Jonathan E. Michael and Camille J. Hensey, to me known to be the individuals and officers of RLI Insurance Company who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and described to the said instrument by the authority of the Board of Directors of said corporation.

[signature] Received Time Dec. 13. 3:08PM

"OFFICIAL SEAL" CHERIE L. MONTGOMERY NOTARY PUBLIC STATE OF ILLINOIS COMMISSION EXPIRES 02/02/04

Notary Public

CERTIFICATE

I, the undersigned officer of RLI Insurance Company, a corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the RLI Insurance Company this *13 day of Dec., 2005

RLI INSURANCE COMPANY By: [signature] President

*IMPORTANT: This date must be filled in before it is attached to the bond and it must be the same date as the bond.

SPA001 (3/00)

PUBLIC OFFICIAL BOND

BOND #RSB 4003134

KNOW ALL MEN BY THESE PRESENTS: That we, Karen Ball Yost as Principal, and the RLI Insurance Company, a corporation organized under the laws of the State of IL, and authorized to transact business in the State of West Virginia as Surety, are held and firmly bound unto Prichard Public Service District

in the sum of One Hundred Thousand and No/100ths ($100,000) DOLLARS, lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, legal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden Principal has been duly elected or appointed to the office of Secretary for a term beginning 12/13/2005, *and ending 12/13/2006;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That if the Principal shall well, truly and faithfully execute and perform the duties of said office during said term, according to all laws now in force or which may be enacted subsequent to the execution of this bond, then this obligation shall be void; otherwise it shall remain in full force and effect.

Dated December 13, 2005.

Karen Ball Yost

BY:

RLI Insurance Company

BY: [signature]

Attorney-in-Fact

*If appointment is for an indefinite term strike out "and ending ____".

RLI Insurance Co.
P.O. Box 3967
Peoria, IL 61612-3967

POWER OF ATTORNEY

(Irrevocable)

BOND NO. RSB- 4003134

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired. That **RLI INSURANCE COMPANY**, an Illinois corporation, does hereby make, constitute and appoint

TED V. KLUEMPER, JR., KIM BROWN OF HUNTINGTON, WEST VIRGINIA

its true and lawful Agent and Attorney-in-Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following bonds.

An ORIGINAL bond required by Statute, Decree of Court or Ordinance for:	AUTHORITY LIMIT
(A) FIDUCIARY	
ADMINISTRATOR'S, PERSONAL REPRESENTATIVE'S AND EXECUTOR'S	$500,000
GUARDIAN'S, CONSERVATEE'S OR CONSERVATOR'S OF INCOMPETENT ADULTS	$250,000
BANKRUPTCY TRUSTEE'S OR RECEIVER'S TO LIQUIDATE	$250,000
REFEREE'S, TRUSTEE'S, AND COMMISSIONER'S TO SELL REAL ESTATE	$250,000
RECEIVER'S IN STATE COURT ONLY	$ 50,000
TESTAMENTARY TRUSTEE'S	$ 50,000
GUARDIAN'S OR CONSERVATOR'S OF MINORS	$ 10,000
(B) COURT	
PLAINTIFF'S BOND (EXCEPT RESTRAINING ORDER, INJUNCTION AND BAIL BONDS)	$ 25,000
(FOR BANKS)	$200,000
DEFENDANT'S BOND	NO AUTHORITY
(C) LICENSE AND PERMIT	
COUNTY, CITY, TOWN, VILLAGE OR OTHER MUNICIPALITY AS OBLIGEE	$ 25,000
STATE AS OBLIGEE (Except the following bonds)	NO AUTHORITY
SPECIAL FUEL USER BOND	$ 5,000
Alcohol Beverage Control (Liquor) Bond	$ 10,000
Auctioneer or Auctioneer Apprentice Bond	$ 10,000
Beer Bond	$ 10,000
Real Estate Broker or Salesman Bond	$ 10,000
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
UNITED STATES OF AMERICA OR OTHER BRANCH OF THE FEDERAL GOVERNMENT	NO AUTHORITY
(D) CONTRACT OR PERFORMANCE OR LABOR AND MATERIAL OR SUB-DIVISION OR SITE IMPROVEMENT OR MAINTENANCE OR CONSTRUCTION BID BONDS	NO AUTHORITY
(E) PUBLIC OFFICIAL	
NOTARY	$ 50,000
ANY PUBLIC OFFICIAL AND DEPUTIES (Except Agents for Fish and Game License)	$ 50,000
(F) ANY BOND OF INDEMNITY, PROVIDED THERE IS ATTACHED TO THIS POWER OF ATTORNEY WRITTEN AUTHORITY IN THE FORM OF AN ENDORSEMENT OR LETTER, SIGNED BY THE PRESIDENT, VICE PRESIDENT, SECRETARY, TREASURER OR ASSISTANT SECRETARY OF RLI INSURANCE COMPANY SPECIFICALLY AUTHORIZING ITS EXECUTION. FOR CONFIRMATION OF THE WRITTEN AUTHORITY, PLEASE CONTACT RLI INSURANCE COMPANY AT 800-645-2402 (309-692-1000 IN ILLINOIS).	AS DETERMINED BY RLI INSURANCE COMPANY

(Shaded area printed blue indicates authenticity)

Note: Authority Limit refers to the aggregate amount for any single obligation, regardless of the number of instruments issued for that obligation. THIS POWER OF ATTORNEY does not authorize any OPEN PENALTY BONDS OR UTILITY BONDS.

The acknowledgment and execution of any such document by the said Attorney-in-Fact, shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

RLI Insurance Company further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force, to-wit: "All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the said RLI INSURANCE COMPANY has caused these presents to be executed by its President with its corporate seal affixed this 1st day of MARCH, 2000.

RLI INSURANCE COMPANY

ATTEST Camille J. Hensey
Secretary

Jonathan E. Michael
President

SEAL

State of Illinois)
) SS
County of Peoria)

On this 1st day of March, 2000, personally came before me Jonathan E. Michael and Camille J. Hensey, to me known to be the individuals and officers of RLI Insurance Company who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and described to the said instrument by the authority of the Board of Directors of said corporation.

Cherie L. Montgomery
Notary Public

Received Time Dec. 13. 3:08PM

"OFFICIAL SEAL" CHERIE L. MONTGOMERY NOTARY PUBLIC STATE OF ILLINOIS MY COMMISSION EXPIRES 02/02/04

CERTIFICATE

I, the undersigned officer of RLI Insurance Company, a corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the RLI Insurance Company this 12 day of Dec., 2000

RLI INSURANCE COMPANY By: Jonathan E. Michael
President

*IMPORTANT: This date must be filled in before it is attached to the bond and it must be the same date as the bond.

SPA001 (3/00)

PUBLIC OFFICIAL BOND

BOND #PSB-4003135

KNOW ALL MEN BY THESE PRESENTS: That we, Arnold Shelby Hazlett as Principal, and the RLI Insurance Company, a corporation organized under the laws of the State of IL, and authorized to transact business in the State of West Virginia as Surety, are held and firmly bound unto Prichard Public Service District

In the sum of One Hundred Thousand and No/100ths ($100,000) DOLLARS, lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, legal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden Principal has been duly elected or appointed to the office of _____

for a term beginning 12/13/2005, *and ending 12/13/2006;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That if the Principal shall well, truly and faithfully execute and perform the duties of said office during said term, according to all laws now in force or which may be enacted subsequent to the execution of this bond, then this obligation shall be void; otherwise it shall remain in full force and effect.

Dated December 13, 2005.

Arnold Shelby Hazlett

BY: _____

RLI Insurance Company

BY: _____ Attorney-In-Fact

*If appointment is for an indefinite term strike out "and ending _____".

SURETY DIVISION

RLI Insurance Co.
P.O. Box 3967
Peoria, IL 61612-3967

POWER OF ATTORNEY

(Irrevocable)

BOND NO. RSB- 4003135

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired. That **RLI INSURANCE COMPANY**, an Illinois corporation, does hereby make, constitute and appoint

TED V. KLUEMPER, JR., KIM BROWN OF HUNTINGTON, WEST VIRGINIA

its true and lawful Agent and Attorney-in-Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following bonds.

(Shaded area printed blue indicates authenticity)

An ORIGINAL bond required by Statute, Decree of Court or Ordinance for:	AUTHORITY LIMIT
(A) FIDUCIARY	
ADMINISTRATOR'S, PERSONAL REPRESENTATIVE'S AND EXECUTOR'S	$500,000
GUARDIAN'S, CONSERVATEE'S OR CONSERVATOR'S OF INCOMPETENT ADULTS	$250,000
BANKRUPTCY TRUSTEE'S OR RECEIVER'S TO LIQUIDATE	$250,000
REFEREE'S, TRUSTEE'S, AND COMMISSIONER'S TO SELL REAL ESTATE	$250,000
RECEIVER'S IN STATE COURT ONLY	$ 50,000
TESTAMENTARY TRUSTEE'S	$ 50,000
GUARDIAN'S OR CONSERVATOR'S OF MINORS	$ 10,000
(B) COURT	
PLAINTIFF'S BOND (EXCEPT RESTRAINING ORDER, INJUNCTION AND BAIL BONDS)	$ 25,000
(FOR BANKS)	$200,000
DEFENDANT'S BOND	No Authority
(C) LICENSE AND PERMIT	
COUNTY, CITY, TOWN, VILLAGE OR OTHER MUNICIPALITY AS OBLIGEE	$ 25,000
STATE AS OBLIGEE (Except the following bonds)	No Authority
SPECIAL FUEL USER BOND	$ 5,000
Alcohol Beverage Control (Liquor) Bond	$ 10,000
Auctioneer or Auctioneer Apprentice Bond	$ 10,000
Beer Bond	$ 10,000
Real Estate Broker or Salesman Bond	$ 10,000
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
UNITED STATES OF AMERICA OR OTHER BRANCH OF THE FEDERAL GOVERNMENT	No Authority
(D) CONTRACT OR PERFORMANCE OR LABOR AND MATERIAL OR SUB-DIVISION OR SITE IMPROVEMENT OR MAINTENANCE OR CONSTRUCTION BID BONDS	No Authority
(E) PUBLIC OFFICIAL	
NOTARY	$ 50,000
ANY PUBLIC OFFICIAL AND DEPUTIES (Except Agents for Fish and Game License)	$ 50,000
(F) ANY BOND OF INDEMNITY, PROVIDED THERE IS ATTACHED TO THIS POWER OF ATTORNEY WRITTEN AUTHORITY IN THE FORM OF AN ENDORSEMENT OR LETTER, SIGNED BY THE PRESIDENT, VICE PRESIDENT, SECRETARY, TREASURER OR ASSISTANT SECRETARY OF RLI INSURANCE COMPANY SPECIFICALLY AUTHORIZING ITS EXECUTION. FOR CONFIRMATION OF THE WRITTEN AUTHORITY, PLEASE CONTACT RLI INSURANCE COMPANY AT 800-645-2402 (309-692-1000 IN ILLINOIS).	As Determined By RLI Insurance Company

Note: Authority Limit refers to the aggregate amount for any single obligation, regardless of the number of instruments issued for that obligation. THIS POWER OF ATTORNEY does not authorize any OPEN PENALTY BONDS OR UTILITY BONDS.

The acknowledgment and execution of any such document by the said Attorney-in-Fact, shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

RLI Insurance Company further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force, to-wit: "All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the said RLI INSURANCE COMPANY has caused these presents to be executed by its President with its corporate seal affixed this 1st day of MARCH, 2000.

RLI INSURANCE COMPANY

[signature] Jonathan E. Michael
President

ATTEST [signature] Camille J. Hensey
Secretary

SEAL

State of Illinois)
) SS
County of Peoria)

On this 1st day of March, 2000, personally came before me Jonathan E. Michael and Camille J. Hensey, to me known to be the individuals and officers of RLI Insurance Company who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and described to the said instrument by the authority of the Board of Directors of said corporation.

[signature] Cherie L. Montgomery
Notary Public

"OFFICIAL SEAL" CHERIE L. MONTGOMERY NOTARY PUBLIC STATE OF ILLINOIS COMMISSION EXPIRES 02/02/04

Received Time Dec. 13. 3:08PM

CERTIFICATE

I, the undersigned officer of RLI Insurance Company, a corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the RLI Insurance Company this * 13 day of Dec., 2005

RLI INSURANCE COMPANY By: [signature] Jonathan E. Michael
President

*IMPORTANT: This date must be filled in before it is attached to the bond and it must be the same date as the bond.

SPA001 (3/00)

IC-2
(7/30/01)

$300,000

GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL(the "Council") and PRICHARD PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $300,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

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

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

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

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

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

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

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

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

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

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

PRICHARD PUBLIC SERVICE DISTRICT

By: Arnold Hazlett
Its: Chairperson
Date: December 13, 2005

(SEAL)

Attest:

Karen Yost
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: [illegible]
Its: Director
Date: December 13, 2005

(SEAL)

Attest:

Barbara B Meadows
Its: Secretary-Treasurer

11/28/05
017542/00301

Exhibit A

Project Description

The Project consists of construction of a wastewater collection and treatment system to serve approximately 234 customers in the Prichard community in Wayne County, West Virginia, together with all appurtenant facilities.

U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
The Curtis Center
Suite 140 South
Independence Square West
Philadelphia, Pennsylvania 19106-3323

12 NOV 2003

Mr. Arnold Hazlett
Chairman
Pritchard Public Service District
PO Box 13
Prichard, West Virginia 25555

Mr. Gerald McDonald
Director
Huntington Area Development Council
916 Fifth Avenue, Suite 400
Huntington, West Virginia 25701

Mr. Charles Sammons
President
Wayne County Commission
PO Box 248
Wayne, West Virginia 25570

RE: Pritchard Industrial Park
EDA Project No. 01-79-07567.01

Dear Mr. Hazlet, Mr. McDonald & Mr. Sammons:

We are pleased to inform you that the Economic Development Administration (EDA) has approved an Amendment to the Financial Assistance Award for the above referenced project for the construction of the Pritchard Industrial Park in West Virginia.

This Offer to Amend the Financial Assistance Award offers to increase the investment by $1,000,000 to a total not to exceed $2,138,000 revises the project development time schedule and the project budget. This Award is funded by the Appalachian Regional Commission with EDA acting as the Basic Funding Agency.

This investment henceforth will be referred to as Investment Number 01-79-07567.01.

The new total project cost is $3,315,000, which is based on the line item estimates contained in Attachment Number 1.

Enclosed are three (3) signed copies of the Amendment to Financial Assistance Award. Your agreement to the terms and conditions of the Amendment should be indicated by the signature of your principal official on each of the signed copies of the Amendment to Financial Assistance Award. Two of the executed copies should be returned within 30 days after receipt to the Director, Philadelphia Regional Office, Curtis Center, Suite 140 South, 601 Walnut Street, Philadelphia, Pennsylvania 19106. If not signed and returned within 30 days of receipt, the Grants Offer may declare the Amendment null and void.

You are cautioned not to make any commitments in reliance on this award, nor to enter into negotiations relative hereto, until you have carefully reviewed the terms and conditions and have determined that you are in compliance or that you can comply therewith. Any commitments or undertakings entered into prior to obtaining the approval of the Government in accordance with its regulations and requirements will be at your own risk.

Sincerely,

Paul M. Raetsch
Regional Director

Enclosures

FORM CD-451
(REV 10/98)

U.S. DEPARTMENT OF COMMERCE

AMENDMENT TO FINANCIAL ASSISTANCE AWARD

X GRANT ☐ COOPERATIVE AGREEMENT

ACCOUNTING CODE

AWARD NUMBER
01-79-07567.01

RECIPIENT NAME
Pritchard Public Service District, Huntington Area Deveopment Council & Wayne County Commission

AMENDMENT NUMBER
One (1)

STREET ADDRESS
PO Box 13

EFFECTIVE DATE
September 30, 2003

CITY, STATE, ZIP CODE
Pritchard, WVa 25555

EXTEND WORK COMPLETION TO
March 24, 2005

CFDA NO. AND PROJECT TITLE CFDA 11.307 – Economic Adjustment Implementation-Pritchard Industrial Park

COSTS ARE REVISED AS FOLLOWS:	PREVIOUS ESTIMATED COST	ADD	DEDUCT	TOTAL ESTIMATED COST
FEDERAL SHARE OF COST	$1,138,000	$1,000,000	$	$2,138,000
RECIPIENT SHARE OF COST	$615,000	$562,000	$	$1,177,000
TOTAL ESTIMATED COST	$1,753,000	$1,562,000	$	$3,315,000

REASON(S) FOR AMENDMENT

1. Modify Special Condition #3 by adding additional installation of approximately 25,000 l. f. of sewer lines & all associated work.
2. Delete Special Condition #1 and substitute the following
   a) Completion of construction March 24, 2005
3. Add "ARC FUNDS" Special Condition #19.

This Amendment approved by the Grants Officer is issued in triplicate and constitutes an obligation of Federal funding. By signing the three documents, the Recipient agrees to comply with the Amendment provisions checked below and attached, as well as previous provisions incorporated into the Award. Upon acceptance by the Recipient, two signed Amendment documents shall be returned to the Grants Officer and the third document shall be retained by the Recipient. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally terminate this Amendment.

X Special Award Conditions

X Line Item Budget

☐ Other(s) EDA Standard Terms and Conditions -Title II - March 1999

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER
Paul M. Raetsch, Regional Director

DATE
12 NOV 2003

TYPED NAME, TYPED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL
Pritchard Public Service District

DATE

01-79-07567.01

TYPED NAME, TYPED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL	DATE
Huntington Area Development Council Gerald McDonald, Director	12/31/03

TYPED NAME, TYPED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL	DATE
Wayne County Commission Charles Sammons, President	1/12/04

19. **ARC FUNDS:** Section 214 Appalachian Regional Commission funds may be totally expended if the final eligible project costs are equal to or exceed the estimated eligible project costs at the time of project approval. If the final eligible costs of the Project are less than the estimated eligible costs at the time of project approval, Section 214 Appalachian Regional Commission funds are to be expended to the extent needed after non-federal funds shown in the approved application for Section 214 funds have been exhausted. The Recipient shall also submit evidence of compliance with Section 302(e) and Section 402 of the Appalachian Regional Development Act of 1965 as amended.

APPALACHIAN REGIONAL COMMISSION
A Proud Past, A New Vision

Office of the Executive Director

RECD JUN 30 2003

June 24, 2003

The Honorable Robert E. Wise, Jr.
Governor of West Virginia
State Capitol, Building 1
Charleston, West Virginia 25305

Re: Prichard Public Service District Sewer Improvement (WV-14548-I-214)

Dear Governor Wise:

Enclosed is a copy of the Appalachian Regional Commission's approval of a grant for the referenced project dated June 23, 2003.

Appalachian Regional Commission funds in the amount of $1,000,000 have been made available to the Assistant Secretary, Economic Development Administration, U.S. Department of Commerce.

Sincerely yours,

Thomas M. Hunter

THOMAS M. HUNTER
Executive Director

Enclosure

cc: State Alternate

1666 CONNECTICUT AVENUE, NW WASHINGTON, DC 20235 (202) 884-7700 FAX (202) 884-7691

APPALACHIAN REGIONAL COMMISSION *A Proud Past, A New Vision*

REV (8-98)

Notice to Obligate

To: Mary C. Pfeffner
Office of Finance and Administration
U.S. Department of Commerce
Economic Development Administration
14th Street and Constitution Avenue NW
Washington, DC 20230
ATTN: Joe Hurney, #7215

Copy To: Harriet Hines, #7326H
Phil Saputo, Philadelphia Regional Office

Pursuant to the Appalachian Regional Development Act of 1965, as amended, the Appalachian Regional Commission has approved the referenced project under appropriation 48X0200. The Economic Development Administration has agreed to obligate and administer the grant under the Memorandum of Agreement between ARC and EDA.

ARC Project Number: WV-14548-03-I-214

EDA Project Number: 01-79-07567

Project Title: Prichard Public Service District Sewer Improvement

Grantee: Prichard Public Service District
(Wayne County, WV)

Approved Funding:

ARC Section 214	$ 1,000,000	30.00%
EDA Grant	1,138,000	34.00%
Other Federal	-	0.00%
State	300,000	9.00%
Local	877,000	26.00%
Total Project Cost	$ 3,315,000	100.00%

Authorized EDA Administrative Charge: na

Approved:

Anne B. Pope
Federal Co-Chair

JUN 2 3 2003
Date

PRICHARD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

RECEIPT OF PAYMENT OF THE PRIOR NOTES

The undersigned, authorized representative of the West Virginia Municipal Bond Commission ("Commission") hereby certifies as follows:

On this 13th day of December, 2005, the Commission received $148,767.38 from Prichard Public Service District and such sum is sufficient to pay in full on the date hereof the entire outstanding principal of and all administrative fees on the Prichard Public Service District Sewerage System Design Notes, Series 2003 (West Virginia Infrastructure Fund) (the "Prior Notes"), dated December 17, 2003, and discharge the liens, pledges and encumbrances securing such Prior Notes.

WITNESS my signature on this 13th day of December, 2005.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Representative

11/22/05
727670.00002

ORIGINAL

AGREEMENT

This Agreement made this 28th day of April, 2005, by and between the PRICHARD PUBLIC SERVICE DISTRICT, a public corporation of the State of West Virginia, hereinafter designated as PSD and James Hundley, a Class I-S operator, hereinafter designated as OPERATOR:

WITNESSETH:

WHEREAS, the PSD is in process of construction of a wastewater collection system and a wastewater treatment plant, hereinafter designated as WASTEWATER SYSTEM with the capability of providing secondary treatment levels as established by the West Virginia Division of Environmental Protection and the United States Environmental Protection Agency and,

WHEREAS, the PSD desires to contract with the OPERATOR to operate and maintain the Wastewater System and the OPERATOR agrees to operate and maintain the WASTEWATER SYSTEM for the PSD;

Now, THEREFORE, in consideration of the recitals, the parties do hereby agree as follows:

1. Within sixty (60) days after completion of construction, the DISTRICT shall provide to the OPERATOR one (1) set of "As-Built" plans and all records of "hook-ons" to allow the OPERATOR to properly operate and maintain the WASTEWATER SYSTEM.

2. The OPERATOR shall perform routine operation and maintenance in accordance with the equipment manufacturer's specifications. The PSD shall provide the OPERATOR with Operation and Maintenance Manuals and manufacturer's literature on all equipment to be serviced. The routine operation and maintenance is generally described in Attachment "A". Said routine operation and maintenance will be performed in return for payment of the fee agreed to herein. The fee for the routine operation and maintenance shall be established as $ 800.00 per month.

3. In addition to the routine maintenance of the PSD's system, the OPERATOR shall notify the PSD of any non-emergency repairs required. Upon notification by any PSD Board Member, the OPERATOR shall make service calls and perform necessary repairs or service on the PSD's sewer lines and lift stations. The OPERATOR shall be reimbursed based on actual time, including labor overhead, and for materials used. The OPERATOR shall include actual invoices for all materials used.

   The OPERATOR is authorized to make any and all emergency repairs without question when, in the opinion of the OPERATOR, an emergency repair is needed. The OPERATOR shall notify the PSD of any extraordinary or emergency repairs that are required on the PSD's sewer system. The OPERATOR shall be reimbursed for all non-routine repairs, which are extraordinary or emergency in nature, based on the actual time required, including labor overhead, and actual materials used. The OPERATOR shall include actual invoices for all materials

used.

The DISTRICT will not reimburse the OPERATOR for any service calls or repairs on property not owned by the PSD or covered by the PSD's easements.

4. PSD and OPERATOR will meet at least once per year to review the Agreement and discuss any concerns or comments at a mutually convenient date, time and location.

The initial term of this Service Agreement shall commence upon the approval of this Agreement by the WV Public Service Commission and shall extend through December 31, 2006, and, unless terminated at the expiration of the initial term by either party giving ninety (90) days advance notice in writing to the other party, this Agreement shall be automatically renewed and continue upon the terms and conditions in force immediately prior to the expiration of the initial term, for an additional term of one year, which additional term shall also be automatically renewed from year to year thereafter until and unless terminated by either party by giving the other party ninety (90) days advance notice of termination in writing; provided, however, that if PSD should ever cease to own and operate its sewer system, this contract will become null and void.

5. All notices provided for in this Service Agreement shall be in writing, and shall be mailed, by certified mail, return receipt requested, in the case of notices required to be given by OPERATOR to PSD, to Prichard Public Service District, P. O. Box 157, Prichard, West Virginia, 25555 or, in case of notices required to be given to PSD to OPERATOR, to James Hundley, 5403 Burke Hollow Road, Prichard, WV

25555, or such other address as may hereafter be specified by notice given by certified mail, return receipt requested, by either party to the other.

6. This Service Agreement merges all previous negotiations between the parties hereto, and persons affiliated with the parties hereto, with respect to the subject matter covered hereby, and supersedes any and all prior agreements between the parties hereto concerning similar billing, accounting and collection services.

IN WITNESS WHEREOF, The parties hereto have made and executed this AGREEMENT by their appropriate officers as of the day and year first above written.

ATTEST: PRICHARD PUBLIC SERVICE DISTRICT

Eva Scott By Arnold Hoylett
CHAIRMAN

ATTEST: OPERATOR

Jim E Boggs By James Hundley
James Hundley

ATTACHMENT "A"

ROUTINE OPERATION & MAINTENANCE LIST

1. Check 3 main pump stations and 4 grinder pump stations on every trip. Maintain a log book detailing date, time of visit, and condition of pump stations. Notify PSD of any malfunctions, needed repairs, maintenance etc.

2. Check wastewater treatment plant on every trip:
   - (a) Clean the bar screen of any debris, rags, etc.
   - (b) Check the blowers for proper operating conditions. Adjust timers, if necessary.
   - (c) Check conditions of aeration tanks for proper roll of wastewater, color, odor, grease balls, sludge returns, etc.
   - (d) Check clarifier operation for clarity, sludge blanket, and skimmer operation.
   - (e) Check ultraviolet disinfection unit for proper operation.
   - (f) Check flowmeter and recorder chart for proper operation and record daily flows in log book.
   - (g) Check sludge holding tank and waste excess sludge into it. Make arrangements for sludge disposal and keep records of amount of sludge disposed off.
   - (h) Perform basic tests such as dissolved oxygen, settllability of sludge, pH, etc.
   - (i) Make arrangements for monthly testing and quarterly testing per WV/NPDES permit requirements.
   - (j) complete discharge monitoring reports (DMR) and attach two DMR's from industrial users, Allevard Springs and Applicare, prior to mailing to WVDEP. Furnish copy of all correspondence to PSD.

If any of the above items need major repairs, replacement and/or maintenance, the PSD shall be notified to authorize and prepare purchase order.

3. Attend monthly PSD Board meeting and present a status report to the Board on

operation and maintenance of the wastewater system.

4. Prior to 50% project completion, the operator shall obtain a Class I Waste Water Treatment Works Operator's Certificate.

SERVICE AGREEMENT

THIS SERVICE AGREEMENT, dated as of this 17th day of March, 2005, by and between Prichard Public Service District, P. O. Box 157, Prichard, West Virginia, 25555, a public service district of the State of West Virginia, (hereinafter "District"). and City of Kenova, a municipality and a public utility corporation of the State of West Virginia, having its principal office at 1501 Pine Street, Kenova, West Virginia, 25330, (hereinafter "City").

WITNESSETH:

THAT WHEREAS, PSD is engaged in the business of providing sewer services to property owners and customers located within the boundaries of its duly authorized service area: and

WHEREAS, CITY is engaged in the business of providing water service to substantially the same area and customers and maintains staff to meet its customer billing, accounting and collection needs; and

WHEREAS, PSD desires to engage CITY to perform customer billing, accounting and collection services for it in order to avoid the necessity of establishing and/or maintaining a duplicate staff to perform these necessary functions and CITY is willing to perform such services to the extent and on the terms hereinafter provided.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that for and in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration to each of the parties hereto paid by the other, the receipt whereof is hereby acknowledged by each party, and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound by the terms hereof, do covenant and agree as follows:

PSD hereby engages CITY to perform, and CITY agrees to perform, the following customer billing, accounting and collection services for PSD:

ARTICLE I

1. CITY will calculate the monthly sewer charges for all of PSD's customer accounts and will include the sewer charges, together with any applicable taxes, surcharges or other authorized charges, as separate items on a combined monthly water/sewer bill to be issued by CITY to each such customer. The sewer charges will be calculated based on the then applicable provisions of PSD's tariffs on file with the Public Service Commission of West Virginia ("Commission"). If PSD seeks to increase or otherwise change its tariffs, it will promptly norify CITY and CITY will implement any such tariff increase or change within three (3) business days following receipt of a written notice of any such increase or change, but in no event prior to the effective date thereof as specified in the notice. As used herein, the term "effective date" means the date on which the Commission's order approving the tariff increase or change become final (unless a different effective date is specified therein) or, in the case of municipal sewer authorities, the date specified in the municipal ordinance establishing the tariff increase or change, unless said tariff change is suspended pursuant to the provisions of West Virginia Code §24-2-4b, in which case the effective date shall be as provided by said Code §24-2-4b or as otherwise ordered by the Commission.

2. CITY shall receive payments for the combined water/sewer bills, whether by check, draft, electronic funds transfer, money order, or in cash and either by mail or in person. Upon receipt of a payment by a customer, and unless otherwise specified in writing by the customer, the payment will be applied to the then outstanding balances of the customer's water and sewer accounts in the proportion that the outstanding balance of each such account bears to the total combined outstanding balance of both such accounts. For

example, if the outstanding balances of a customer's water and sewer accounts are $ 30 and $ 20, respectively, at the time a payment is received, sixty percent (60%) of the payment will be allocated to the water account and forty percent (40%) will be allocated to the sewer account.

3. All payments received by CITY and applied to sewer accounts will be remitted to PSD on a monthly basis. All drafts, checks, money orders and other non-cash instruments received in payment of combined water/sewer bills shall be accepted by CITY subject to final collection thereof, and in the event any such instruments shall be dishonored or otherwise prove to be uncollectible, CITY shall reduce subsequent remittances by the aggregate amount of such dishonored or uncollectible payments to the extent that they were included in a prior remittance.

4. In the event CITY should make adjustment to the water portion of a combined water/sewer bill because of an inaccurate, faulty or inoperative water meter, misread meter, leaking water line or for any other reason. CITY shall make a corresponding adjustment to the sewer portion of the same bill.

5. If requested by PSD (and upon payment of a $ 20 disconnection fee), CITY will terminate water service to customers who are delinquent in payment of their sewer bills. If requested by PSD, CITY will hereafter undertake to enforce collection of both water and sewer bills in the following manner:

   (a) If CITY determines that a customer is delinquent in payment of its combined water/sewer bills, collection of the total amounts due for both water and sewer services will be pursued by issuance of a joint termination notice advising the customer that the continued failure to pay the delinquent portions of their water and sewer bills will result in termination of water service if the customer fails to pay or make arrangement to pay the outstanding balances of both its water and sewer bills, service will then be terminated and will not be restored

until full payment is received or acceptable arrangements are made to pay such balances, unless otherwise ordered by the Commission. The combined termination notice will comply with the minimum requirements of all applicable orders and rules of the Commission, including but not limited to, (i) Rules and Regulations For the Government of Water Utilities, as amended (the "Water Rules"). (ii) Rules and Regulations For the Government of Sewer Utilities, as amended (the "Sewer Rules") and (iii) Rules and Regulations For the Government of Public Service Districts, as amended (the "PSD Rules"). PSD recognizes and acknowledges that in the administration by CITY of the joint or combined billing and collection process herein described, including service terminations, the requirements of certain of the Commission's Water Sewer and PSD Rules and the day-to-day fluctuations in the workload demands experienced by CITY's customer service department may not always permit CITY to issue a joint termination notice, nor to terminate service, within the shortest possible period of time in which such a termination of service could be affected by PSD acting pursuant to the Commission's rules. It is further recognized and acknowledged, however, that pursuant to the terms hereof, neither the termination of water service to a customer who is delinquent in the payment of combined water and sewer bills, no the subsequent resumption of service to such customer, is contingent on the receipt by CITY of a disconnection fee or a reconnection fee such as would apply to a termination at the request of PSD under the Termination Agreement.

(b) The applicable rules of both the Commission's Water Rules and its Sewer Rules require that any residential customer who receives a termination notice must be given an opportunity to enter into a deferred payment agreement if the customer demonstrates an ability to pay but only in installments. It is hereby acknowledged and agreed by PSD that as part of the billing, accounting and collection services

provided by CITY hereunder, CITY will negotiate on behalf of both CITY and PSD with customers who request deferred payment agreements and that CITY shall have full authority to enter into deferred payment agreements for the payment of delinquent water and sewer charges, said agreements to the upon such terms as CITY, in its sole discretion, shall deem appropriate, subject only to the review of the Commission upon appeal by the customer. CITY's authority hereunder shall also extend to the renegotiation and revision of deferred payment agreements when required or permitted by the Commission's rules. All customer payments received under a deferred payment agreement will be applied to delinquent water and sewer bills in the same proportional manner as other payments are applied under the terms hereof.

6. Once a month, CITY will provide PSD with a statement of aged accounts-receivable balances for its billed sewer customers. In addition, CITY agrees to provide PSD with any readily available statistical data or information it may posses and which it may possess and which PSD may require to prepare reports to the Commission or for any other appropriate purposes.

7. In the course of providing the sewer billings, accounting and collection services described above, CITY shall observe the same policies and procedures, and exercise the same diligence, as it observes and exercises in billing and collecting its water bills. In no event, however, shall CITY be liable to PSD for any non-negligent errors in the billing, accounting, collection and remittance of sewer charges.

8. PSD shall provide CITY with a name and telephone number of an authorized person to contact concerning any disputes or issues that might arise which require PSD's involvement to resolve. PSD shall notify CITY immediately of any change in the authorized contact person or telephone number.

9. In the event CITY agrees to provide any services to PSD in addition to those services described above, such additional services shall be made the subjuct of an agreement supplementary hereto.

ARTICLE II

1. As compensation for the services provided by CITY under Article 1 hereof, PSD shall pay to CITY, in the manner hereinafter set forth, its pro rata share of the annual **Joint Service Cost** (hereinafter defined), which shall be determined as follows:

   Step One: Divide Joint Service Cost by the combined (water & sewer) total of (i) the average number of customers served by CITY during the Fiscal Year (hereinafter defined) and (ii) the total of the average number of customers during the Fiscal Year of all other entities for whom CITY provides billing and collection services.

   Step Two: The City shall bill monthly, the number of bills multiplied by the result obtained in Step One.

2. For the purposes of this Service Agreement, the term "**Joint Service Cost**" for Fiscal Year shall mean the total of the following expenses of CITY for such Fiscal Year computed in accordance with generally accepted accounting principles:

   (a) The total payroll costs, including but not limited to salaries or wages, group life, health, and casualty insurance premiums, pensions, pension costs, workers' compensation, unemployment and social security taxes, for all supervisory and clerical office employees of CITY engaged in whole or in part in customer billing, accounting,

collections and other customer service activities, and including meter reading costs.

(1) Since the City of Kenova also provides meter reading services to Northern Wayne PSD, the meter reading cost should be allocated proportionally. The cost of meter reading shall include salaries, workers' compensation, unemployment, pension, group life, casualty & health insurance, social security taxes and uniform allowance. The cost of meter reading shall be allocated to billing and collecting expense based on the number of meters read for each entity. See calculations attached.

(b) The cost of all materials and supplies, including but not limited to postage, incurred by CITY in connection with customer billing, accounting, collections, and other customer service activities: and

(c) The portion of office rent, utilities, and services allocable to office space used in connection with customer billing, accounting, collections and other customer service activities.

3. For the purposes of this agreement: (1) the term "Fiscal Year" shall mean the period beginning on the first day of July of each year that this Service Agreement remains in effect and concluding with either the last day of the next succeeding June or the date of termination of this Service Agreement, whichever shall first occur; and (2) the phrase "**average number of customers served during the Fiscal Year**" shall mean the result obtained by dividing the sum of the number of customers served by CITY and PSD at the end of each month of the Fiscal Year by twelve (12) (or by the number of months during the Fiscal Year if less than 12).

4. For the period from July 1, 2006 through June 31, 2007 and thereafter until adjusted as hereinafter provided, PSD's pro rata share of the Joint Service Cost shall be billed at the rate of ($ 2.22) per bill per month for each customer of PSD receiving service during the month. CITY will bill PSD monthly and PSD will pay such bills within ten (10) days of receipt during the initial term and all subsequent or renewal terms hereof.

5. Within forty-five (45) days after the end of each Fiscal Year, CITY shall determine and certify to PSD the actual Joint Service Cost for the Fiscal Year just ended (the "Prior Fiscal Year") and shall compare and "true up" PSD's pro rata share of such actual Joint Service Cost with the total amount billed to, and received from, PSD for the Prior Fiscal Year (excluding any payments made by PSD in the Prior Fiscal Year for a true-up adjustment pertaining to a preceding fiscal year). If the amount received by CITY from PSD for the Prior Fiscal Year exceeds PSD's pro rata share of the actual Joint Service Cost for such year, CITY shall refund the difference to PSD, without interest, within ten (10) days after the end of the aforesaid forty-five (45) day period. If the amount received by CITY from PSD for the Prior Fiscal Year was less than PSD's pro rata share of the actual Joint Service Cost for such year, PSD shall pay the difference to CITY, without interest, within ten (10) days after the aforesaid forty-five day period.

6. Following the determination of the actual Joint Service Cost for the Prior Fiscal Year, the monthly billing to PSD of its pro rata share of the Joint Service Cost for the current Fiscal Year shall be adjusted, if necessary, to reflect a rate per customer based on PSD pro rata share of the actual Joint Service Cost for the Prior Fiscal Year, determined in the manner described in Section 1 of this Article II.

7. PSD and CITY will meet at least once per year to review the Agreement and discuss any concerns or comments at a mutually convenient date, time and location.

The initial term of this Service Agreement shall commence upon the approval of this Service Agreement by the Commission and shall extend through December 31, 2006, and, unless terminated at the expiration of the initial term by either party giving ninety (90) days advance notice in writing to the other party, this Service Agreement shall be automatically renewed and continue upon the terms and conditions in force immediately prior to the expiration of the initial term, for an additional term of one year, which additional term shall also be automatically renewed from year to year thereafter until and unless terminated by either party by giving the other party ninety (90) days advance notice of termination in writing; provided, however, that if PSD should ever cease to own and operate its sewer system, this contract will become null and void.

ARTICLE IV

1. The term and conditions of this Service Agreement are subject to the approval of the Commission and shall be interpreted and applied to conform with the requirements of all current and future rules and regulations of the Commission, except to the extent that any waiver of such rules and regulations or variance therefrom may be authorized by the Commission. Any disputes arising between the parties with respect to this Service Agreement which involve issues falling within the jurisdiction of the Commission, shall be presented to the Commission for resolution pursuant to a petition, formal complaint or other appropriate pleading filed by either or both of the parties hereto.

2. Any disputes arising between the parties with respect to this Service Agreement which involve issues that do not fall within the exclusive jurisdiction of the Commission, shall be settled by arbitration in accordance with the laws of West Virginia to the extent that the parties may lawfully do so. In any such case, CITY and PSD shall each appoint one arbitrator who, together, shall jointly select the third arbitrator. The decision of a majority of the arbitrators shall be binding and conclusive upon both PSD and City.

3. In the event that either party to this Service Agreement shall appoint an arbitrator and notify the other party of such appointment, but such other party shall fail within one week thereafter to appoint a second arbitrator as herein provided, such first party may apply to the Circuit Court of Wayne County, West Virginia, for the appointment of a second arbitrator and an arbitrator appointed by such court shall be deemed to be the arbitrator thereupon appointed by such other party.

4. In the event of the failure of the two arbitrators appointed by PSD and CITY to effect the appointment of a third arbitrator within two weeks after the appointment of the second, the third arbitrator shall also be appointed by the said court.

5. The expense of such arbitration shall be borne equally by PSD and CITY.

ARTICLE V

All notices provided for in this Service Agreement shall be in writing, and shall be mailed, by certified mail, return receipt requested, in the case of notices required to be given by CITY to PSD, to Prichard Public Service District, P. O. Box 157, Prichard, West Virginia, 25555 or, in case of notices required to be given to PSD to CITY, to City of Kenova, 1507 Pine Street, Kenova, WV 25530, or such other address as may hereafter be specified by notice given by certified mail, return receipt requested, by either party to the other.

ARTICLE VI

This Service Agreement merges all previous negotiations between the parties hereto, and persons affiliated with the parties hereto, with respect to the subject matter covered hereby, and supersedes any and all prior agreements between the parties hereto concerning similar billing, accounting and collection services.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed and attested by the proper officers, duly authorized, and their respective seals, if any, to the hereto affixed the day and year first above written.

ATTEST: **PRICHARD PUBLIC SERVICE DISTRICT**

By: Arnold Hoskett

Karen Yost
Secretary

Its Chairman

(SEAL)

ATTEST: **CITY OF KENOVA**

By: J B Merrone II

Stacy Duffield
Secretary

Its ~~Chairman~~ Mayor

(SEAL)

CITY OF KENOVA
ANALYSIS OF BILLING & COLLECTING COSTS
Based on actual June 30, 2004 fiscal year

A	TOTAL NUMBER OF EMPLOYEES PERFORMING BILLING AND COLLECTING DUTIES	2 A)	
	TOTAL HOURLY RATE OF EMPLOYEES PERFORMING BILLING AND COLLECTING DUTIES	18.75	
		x	
	NUMBER OF ANNUAL HOURS	2080	
		$ 39,000	
	ANNUAL LABOR FOR EMPLOYEES	x	
B	PERCENTAGE OF ACTUAL TIME PERFORMING BILLING AND COLLECTING DUTIES	100.00% B)	
			$ 39,000 C)
C	TOTAL ANNUAL WAGES ALLOCATED TO BILLING AND COLLECTING DUTIES		
	LABOR OVERHEAD		
	WORKERS COMP (amount from C multiplied by Workers Compensation Rate = 4.2%)	1,638	
	STATE UNEMPLOYMENT (# of employess from A multiplied by $8,000 multiplied by B multiplied by 4.5%)	720	
	FICA (amount from C multiplied by 7.65%)	2,984	
	HOSPITALIZATION (Actual annual cost for employees performing billing and collecting duties multiplied by B)	22,294	
	DENTAL (Actual annual cost for employees performing billing and collecting duties multiplied by B)	1,472	
	VISION (Actual annual cost for employees performing billing and collecting duties multiplied by B)	197	
	LIFE (Actual annual cost for employees performing billing and collecting duties multiplied by B)	194	
	UNIFORM ALLOWANCE (Actual annual cost for employees performing billing and collecting duties multiplied by B)	800	
	RETIREMENT (amount from C multiplied by 10.5%)	4,095	
			34,394
	TOTAL OVERHEAD		6,000
	RENT		12,144
	POSTAGE		52,442
	METER READING (see calculation)		12,000
	SUPPLIES		
	TOTAL BILLING & COLLECTING COSTS TO BE ALLOCATED		155,979
			70,200
	TOTAL NUMBER OF BILLS		$ 2.22
	COST PER BILL		
	ANNUAL NUMBER OF BILLS FOR CITY OF KENOVA WATER	48,000	
	ANNUAL NUMBER OF BILLS FOR CITY OF KENOVA SEWER	19,200	
	ANNUAL NUMBER OF BILLS FOR PRICHARD PSD	3,000	
	TOTAL ANNUAL NUMBER OF BILLS	70,200	

CITY OF KENOVA
ANALYSIS OF BILLING & COLLECTING COSTS
Based on actual June 30, 2004 fiscal year

ALLOCATED METER READING COSTS

ANNUAL COST OF METER READING (2 FULL TIME MEN)		$	36,400
LABOR OVERHEAD			
WORKERS COMP (4.2%)	1,529		
STATE UNEMPLOYMENT (4.5%)	720		
FICA (7.65%)	2,785		
HOSPITALIZATION (Actual annual cost)	18,960		
DENTAL (Actual annual cost)	1,472		
VISION (Actual annual cost)	197		
LIFE (Actual annual cost)	194		
UNIFORM ALLOWANCE (Actual annual cost)	800		
RETIREMENT (10.5%)	3,822		
TOTAL OVERHEAD			30,478
TOTAL ANNUAL COST OF PERFORMING METER READING			66,878

	Number of Meters	Percentage of Total Meters
Number of Meters - Kenova	4000	73.8%
Number of Meters - Northern Wayne PSD	1170	21.6%
Number of Meters - Prichard PSD	250	4.6%
Total number of meters read	5420	100.0%

Percentage of total number of meters read for Shared Billing and Collecting cost			
Percentage of Total Meters - Kenova	73.8%		
Percentage of Total Meters - Prichard PSD	4.6%		
Total Percentage of Meter Reading Labor Allocated for shared Billing and Collecting cost			78.4%
Total Allocated Meter Reading Cost to be shared		$	52,442