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PUTNAM PUBLIC SERVICE DISTRICT

**Transfer of Assets of North Putnam Public Service District to
South Putnam Public Service District and Change of Name
to Putnam Public Service District**

Date of Closing: June 30, 2006

ASSET ACQUISITION AND NAME CHANGE TRANSCRIPT

STEPTOE & JOHNSON PLLC

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PUTNAM PUBLIC SERVICE DISTRICT

Transfer of Assets of North Putnam Public Service District to South Putnam Public Service District and Change of Name to Putnam Public Service District

ASSET ACQUISITION AND NAME CHANGE TRANSCRIPT

Table of Contents

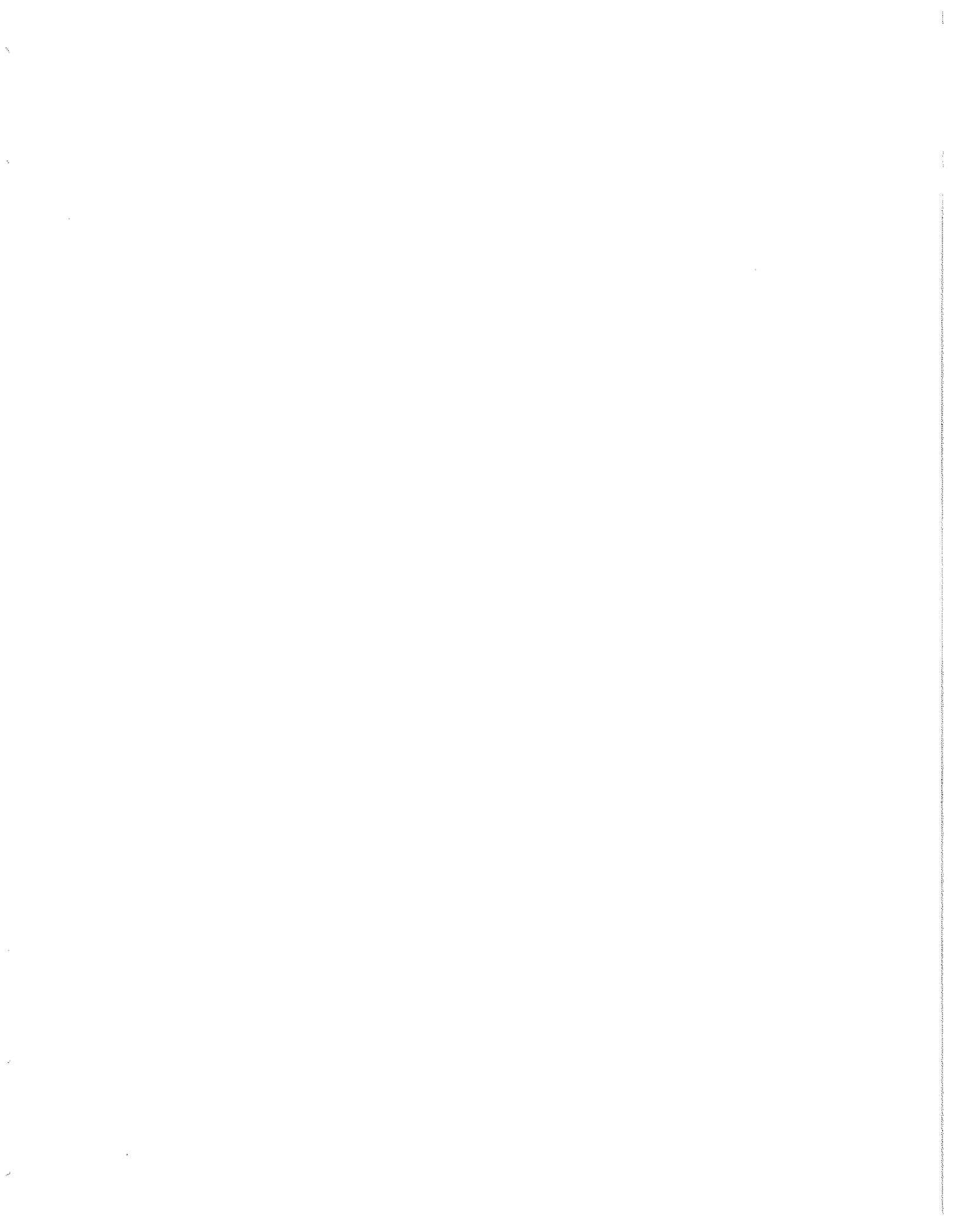
BASIC DOCUMENTS

1. Resolution of North Putnam Public Service District Approving Transfer of Assets to South Putnam Public Service District and Affidavit of Publication of Public Hearing Thereon
2. Resolution of The County Commission of Putnam County dated July 8, 2003, Approving Transfer of Assets from North Putnam Public Service District to South Putnam Public Service District
3. Public Service Commission Order Approving Transfer of Assets of North Putnam Public Service District to South Putnam Public Service District
4. Resolution of The County Commission of Putnam County dated March 25, 2003, Proposing the Expansion of the Boundaries of South Putnam Public Service District and Dissolution of North Putnam Public Service District
5. Affidavit of Publication of Notice of Public Hearing
6. Resolution of The County Commission of Putnam County dated April 22, 2003, Approving the Expansion of the Boundaries of South Putnam Public Service District and Dissolution of North Putnam Public Service District

7. Public Service Commission Order Approving Expansion of Boundaries of South Putnam Public Service District and Dissolution of North Putnam Public Service District
8. Resolution of The County Commission of Putnam County dated April 25, 2005 Approving Name Change
9. Public Service Commission Order Approving Name Change
10. Resolution of The County Commission of Putnam County Ratifying Transfer of Assets and Name Change
11. Resolution of North Putnam Public Service District Ratifying Transfer of Assets to South Putnam Public Service District
12. Resolution of South Putnam Public Service District Ratifying Asset Acquisition and Changing Name to Putnam Public Service District
13. Consent of West Virginia Water Development Authority to Assumption of Debt of North Putnam Public Service District by South Putnam Public Service District and Name Change
14. Consent of United States Department of Agriculture - Rural Utilities Service to Assumption of Debt of North Putnam Public Service District by South Putnam Public Service District and Name Change
15.
 - A. Putnam Public Service District Sewer Revenue Bonds, Series 1975 (Formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1975)
 - B. Putnam Public Service District Sewer Revenue Bonds, Series 1993 (Formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1993)

DOCUMENTS OF PUBLIC SERVICE DISTRICTS

16. North Putnam Public Service District
 - A. Orders of Appointment for Board Members
 - B. Oaths of Office
 - C. Minutes of Organizational Meeting
17. Putnam Public Service District
 - A. Orders of Appointment for Board Members
 - B. Oaths of Office
 - C. Minutes of Organizational Meeting



NORTH PUTNAM PUBLIC SERVICE DISTRICT

RESOLUTION

WHEREAS, the North Putnam Public Service District is authorized to provide water and sewer service as a public utility in parts of Putnam County, West Virginia, on the North side of the Kanawha River;

WHEREAS, the South Putnam Public Service District is authorized to provide water and sewer service as a public utility in parts of Putnam County, West Virginia, on the South side of the Kanawha River;

WHEREAS, the South Putnam Public Service District has the manpower and expertise to operate and manage the affairs of the North Putnam Public Service District;

WHEREAS, the Boards of the South Putnam Public Service District and the North Putnam Public Service District have had discussions concerning the transfer of the North Putnam Public Service District to the South Putnam Public Service District; and

WHEREAS, the Board of the North Putnam Public Service District deems it to be in the best interests of the citizens of Putnam County for South Putnam Public Service District to acquire the assets of North Putnam Public Service District, and to operate such assets as part of its own system until such time as the acquisition of such assets is approved by the Public Service Commission of West Virginia.

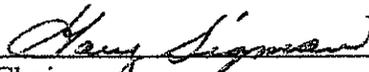
NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF NORTH PUTNAM PUBLIC SERVICE DISTRICT:

1. The Board of North Putnam Public Service District is authorized to undertake all actions necessary to transfer the assets of the North Putnam Public Service District, subject to the approval of the Public Service Commission of West Virginia, and bondholder approvals; and subject further to a determination of the reasonableness of such action upon the rates of the rate payers of South Putnam Public Service District.

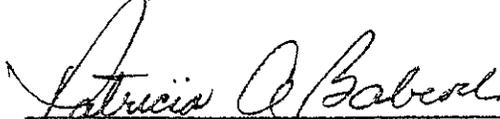
2. During the pendency of the approval process, and until such time as the Board of the South Putnam Public Service District has determined that it is in the best interests of the rate payers of South Putnam Public Service District to acquire the assets of North Putnam Public Service District, North Putnam Public Service District is hereby authorized to enter into an agreement whereby South Putnam Public Service District shall operate and maintain the North Putnam Public Service District system.

3. The Chairman of the Board of the North Puumam Public Service District is hereby authorized to execute any documents necessary to carry out the provisions of his Resolution.

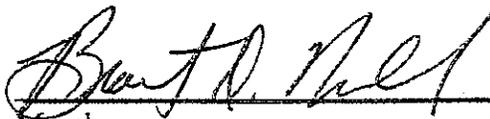
Adopted this 11th day of July, 2000.



Chairman



Member



Member

LEGAL NOTICE

**NORTH PUTNAM
PUBLIC SERVICE DISTRICT
NOTICE OF HEARING**

The Public Service Board of North Putnam Public Service District will hold a hearing on Thursday, August 3, 2000, at 7:00 p.m., at Town Hall, Bancroft, West Virginia, for the purpose of taking public comments and objections, if any, relating to the proposed transfer of North Putnam Public Service District's utility rights and assets to South Putnam Public Service District.

The Board will, following the receipt of comments and objections, vote on whether or not to proceed with the transfer of its utility rights and assets to South Putnam Public Service District.

This hearing is open to the press and the public and any person interested may appear at such hearing to protect their interest.

**NORTH PUTNAM PUBLIC
SERVICE DISTRICT**

It 7-27

AFFIDAVIT OF PUBLICATION

Cost of Publication \$14.56

State of West Virginia, County of Putnam, to wit:

I, Phyllis Robinson, being first sworn upon my oath, do depose and say that I am Publisher of the newspaper entitled THE PUTNAM DEMOCRAT, a Democratic newspaper; that I have been duly authorized to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly on Thursday, for at least fifty weeks during the calendar year, in Winfield, Putnam County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed

notice of Notice of Hearing

North Putnam Public Service District

Transfer of Utility Rights and Assets

to South Putnam Public Service District

was duly published in said newspaper once a week for 1 (successive) week(s), commencing with the issue of the 27th day of July 2000, and ending with issue of the _____ day of _____, 20____, (and was posted, if required, at the _____ on the _____ day of _____, 20_____).

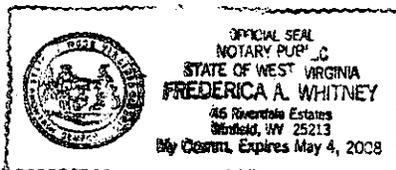
Phyllis Robinson
Phyllis Robinson, Publisher
The Putnam Democrat

Taken, subscribed and sworn to before me in my said county this 28th

day of July, 2000

My commission expires

May 4, 2008



Frederica A. Whitney
Notary Public of Putnam County, West Virginia

NORTH PUTNAM PUBLIC SERVICE DISTRICT



POST OFFICE BOX 59
BANCROFT, WV 25011

Patti Babcock, Secretary/Treasurer
Gary Sigman, Chairperson

North Putnam Public Service District
Special Meeting
August 3, 2000
MINUTES

MEMBERS PRESENT: Gary Sigman, Brent Null, Patti Babcock
STAFF PRESENT: Fred Stottlemeyer
GUESTS PRESENT: Robert Rodecker

This special meeting constituted a public hearing to take comments on the proposed acquisition/sale of North Putnam PSD to South Putnam PSD. There was no public person who attended this meeting.

Brent Null motioned the best interest of the public would be served by transferring the assets of this District(NPPSD) to the South Putnam PSD and to file the appropriate documents with the Putnam County Commission and the Public Service Commission to carry out the sale of this system. Patti second and the decision was unanimous.

Fred Stottlemeyer took this opportunity to report the following:

1] Number 3 station has only one pump operational. A safety ladder has been installed inside this station.

2] The Treatment Plant was broken into on July 30th. Mostly tools were taken and entry was gained via a broken window.

3] The 8 inches of rain during the month of July produced flows in excess of 500,000 gallons. Route 62 is the area suspected of infiltration and next week this area will be addressed.

4] One manhole on Drew Street has no mastic. This will be corrected.

5] Clarifying tanks will be taken down beginning with Number 1 on August 21 to inspect, clean and make piping changes. Number 2 will be following for the same inspection and repair. Diffusers for these tanks were one of the items stolen. Replacements will be ordered immediately.

6] Putnam County Commission has indicated they will supply \$31,500.00 to match monies offered by the Governor's office for the collapsed line repair.

7] At our request, contractor Clyde Raynes has submitted an invoice for \$55,596.65 for work done to date. North Putnam has expended \$55,644.97 to date on repair cost. Patti reported digesting cost on this date with only \$10,000.00 of invoices remaining from this project, all aged less than 30 days.

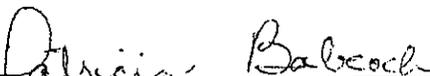
8] Plans for Cherokee Estates were discussed. Meetings with the developers have caused changes and these changes were discussed and approved on motion by Brent Null.

There being no further business, the meeting adjourned at 7:58 p.m.

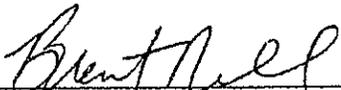
Respectfully Submitted,



Gary Sigman, Chairperson



Patricia Babcock, Secretary



Brent Null, Treasurer

DOCUMENTS OF CONVEYANCE

18. Quitclaim Deed from North Putnam Public Service District
19. Bill of Sale of North Putnam Public Service District
20. Assignment of Rights of Way and Easements of North Putnam Public Service District
21. Assignment of Judgments of North Putnam Public Service District

OPINIONS OF COUNSEL AND CERTIFICATES

22. Approving Opinion of Steptoe & Johnson PLLC
23. Opinion of Robert R. Rodecker, Esquire
24. Title Opinion
25. Certificate of Certified Public Accountant

MISCELLANEOUS DOCUMENTS

26. Municipal Bond Commission New Issue Report

06.21.06
847280.00004

PUTNAM COUNTY COMMISSION

RESOLUTION

WHEREAS, the North Putnam Public Service District is authorized to provide water and sewer service as a public utility in parts of Putnam County, West Virginia, on the North side of the Kanawha River;

WHEREAS, the South Putnam Public Service District is authorized to provide water and sewer service as a public utility in parts of Putnam County, West Virginia, on the South side of the Kanawha River;

WHEREAS, the South Putnam Public Service District has the manpower and expertise to operate and manage the affairs of the North Putnam Public Service District;

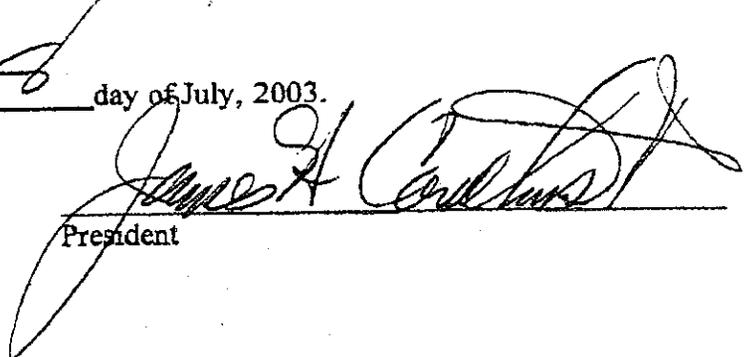
WHEREAS, the Board of the North Putnam Public Service District has, after hearing held August 3, 2000, unanimously approved the transfer of the North Putnam Public Service District to the South Putnam Public Service District; and

WHEREAS, the County Commission of Putnam County deems it to be in the best interests of the citizens of Putnam County for North Putnam Public Service District to transfer its assets to South Putnam Public Service District subject to the approval of the Public Service Commission of West Virginia and subject further to the approval of bondholders.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA:

The Board of North Putnam Public Service District, is authorized to undertake all actions necessary to transfer the assets of the North Putnam Public Service District, subject to the approval of the Public Service Commission of West Virginia as provided in West Virginia Code §16-13A-18a, and subject to the further approval of bondholders.

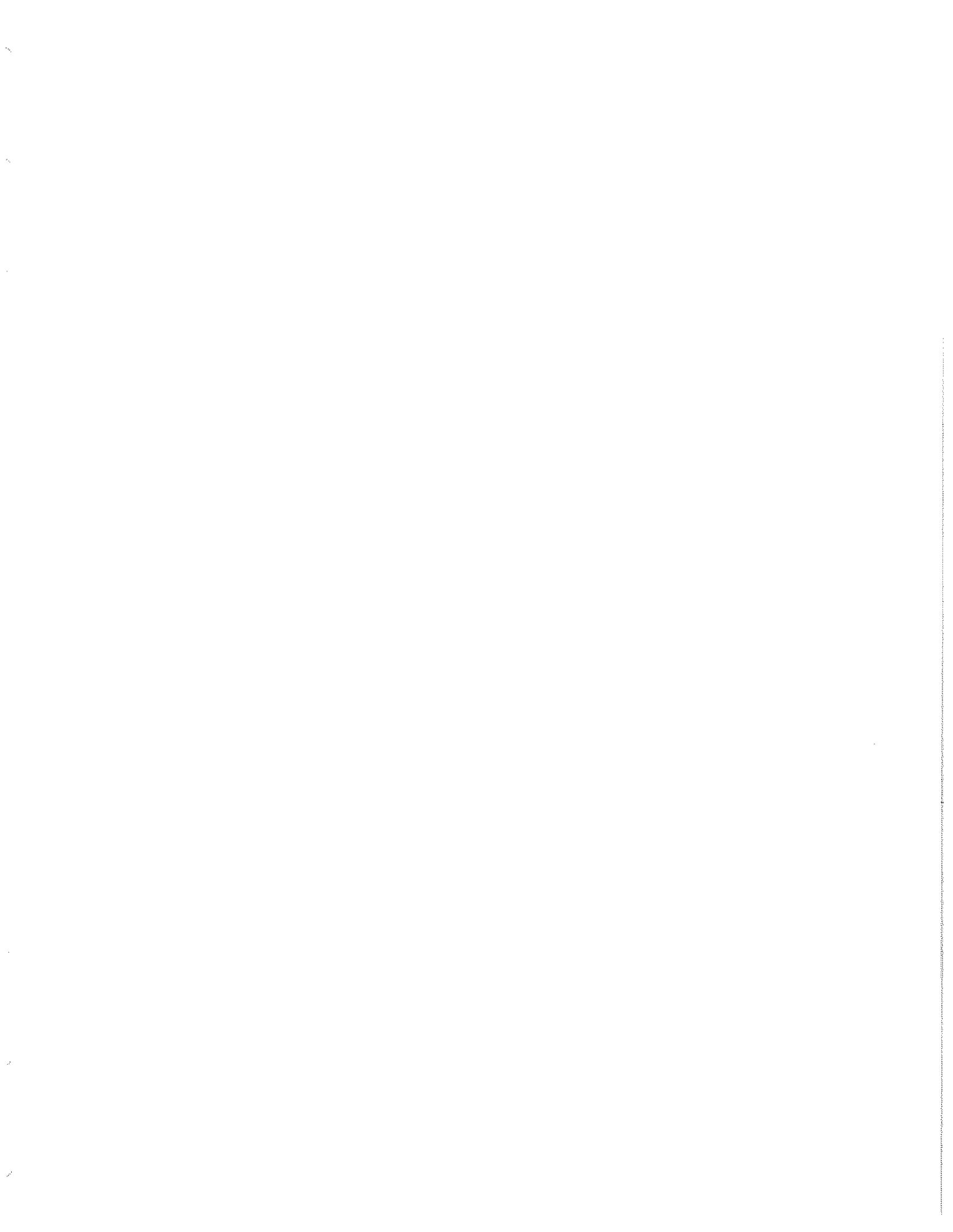
Adopted this 8 day of July, 2003.



President

Carrie Withrow
Commissioner

Stephen L. Gude
Commissioner



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

EM

03-03-BB

Entered: September 5, 2003

ORIGINAL

CASE NO. 03-1042-PSWD-PC

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
and NORTH PUTNAM PUBLIC SERVICE DISTRICT
Joint petition for consent and approval
for the sale of North Putnam Public
Service District's utility system to
South Putnam Public Service District.

FINAL
9.25-03

RECOMMENDED DECISION

On July 9, 2003, the South Putnam Public Service District (South Putnam) and the North Putnam Public Service District (North Putnam) filed a joint petition seeking Commission consent and approval for the transfer of North Putnam's public utility system (utility system) to South Putnam. In support of the joint petition, South Putnam and North Putnam stated:

- (1) The proposed transfer of the North Putnam utility system to South Putnam will be conducive to the preservation of the public health, comfort and convenience of Putnam County;
- (2) Pursuant to an Operation and Maintenance Agreement (O&M Agreement) previously entered into between the Petitioners and approved by the Commission in Case No. 00-1134-PSWD-PC (November 14, 2000), South Putnam has been operating and maintaining the utility system of North Putnam;
- (3) In the O&M Agreement, North Putnam granted unto South Putnam the exclusive right and option to purchase North Putnam's existing public utility system for the consideration of One Dollar (\$1.00), and the complete assumption of any outstanding indebtedness owed by North Putnam to the Rural Utilities Service (RUS), West Virginia Water Development Authority (WDA) and City National Bank;

(4) South Putnam has been working with the U.S. Army Corps of Engineers in developing a sewer upgrade project for the area currently served by the sewer facilities of North Putnam Public Service District. The Corps of Engineers, which is providing grant monies for the sewer upgrade project, has notified South Putnam that, before the proposed project can move forward, South Putnam will need to acquire the facilities of North Putnam. Therefore, South Putnam wishes to exercise its option to purchase North Putnam's public utility assets pursuant to the O&M Agreement;

(5) The Putnam County Commission has adopted a Resolution proposing (1) the expansion of South Putnam's territory to include the entire territory in Putnam County located north of the Kanawha River and not contained within the boundaries of any municipal or private utility, which area contains the operating territory of North Putnam Public Service District; (2) the dissolution of North Putnam Public Service District; and (3) the rescission of a portion of a March 4, 1993 County Commission Order insofar as it purported to merge Putnam Union Public Service District and North Putnam Public Service District and create a new North Putnam Public Service District. Pursuant to the requirements of West Virginia Code §16-13A-2, the County Commission has filed the appropriate documents with the Public Service Commission seeking its approval of the County Commission's actions. See, Case No. 03-0536-PSWD-PC;

(6) On August 3, 2000, the Board of North Putnam held a hearing pursuant to the requirements of West Virginia Code §16-13A-18a. Following the hearing, at which no member of the public appeared, North Putnam Public Service District unanimously approved the transfer of that district's assets to South Putnam Public Service District. A copy of the minutes of the August 3, 2000 meeting is attached to the joint petition as Exhibit 1. A copy of the affidavit of publication notifying the public of the hearing to be held on August 3, 2000, is attached as Exhibit 2. A copy of the resolution of the Board of North Putnam authorizing the Board to undertake all actions necessary to effectuate the transfer of its

system to South Putnam is attached to the petition as Exhibit 3;

(7) On July 8, 2003, the County Commission of Putnam County, West Virginia, unanimously passed a resolution approving the action of North Putnam in seeking to transfer its system to South Putnam, subject to the approval of the Public Service Commission and subject to the further approval of North Putnam's bondholders. A copy of the resolution of the County Commission is attached to the petition as Exhibit 4; and

(8) In order for South Putnam to obtain the necessary funds for the construction of needed sewer facilities in the territory of North Putnam, it is necessary that South Putnam have ownership of North Putnam's current utility assets.

On July 10, 2003, counsel for the Petitioners filed original Verifications for the joint petition filed herein on July 9, 2003.

On August 12, 2003, Staff Attorney Ronald E. Robertson, Jr., filed an Initial and Final Joint Staff Memorandum. An Initial and Final Internal Memorandum dated August 5, 2003, from William A. Nelson, Utilities Analyst Supervisor, Water and Wastewater Division, and Jonathan Fowler, P.E., Engineer I, Engineering Division, was attached thereto. Commission Staff stated that, based upon its review of the petition and exhibits attached thereto, South Putnam and North Putnam had met the requirements of West Virginia Code §16-13A-18a, regarding the sale of North Putnam's utility system to South Putnam. Commission Staff, after noting the Putnam County Commission's pending Case No. 03-0536-PSWD-PC, seeking Commission approval, in part, to dissolve North Putnam and expand South Putnam's boundaries to encompass the current service area of North Putnam, stated that the sale of North Putnam's utility system had to be approved and finalized prior to the dissolution actually occurring.¹ Commission Staff went on to note that approval of the sale of North

¹Commission Staff noted that it intended to file its final recommendation in the dissolution case concurrently with the filing of its final recommendation in this proceeding, which would allow final orders to be issued on or about the same date in both cases. However, since a hearing scheduled for September 19, 2003, must be held in Case No. 03-0536-PSWD-PC regarding the dissolution of North Putnam, Commission Staff was of the opinion that it was likely that the acquisition of North Putnam's utility system by South Putnam would be approved first, with approval of North Putnam's dissolution to follow some time thereafter.

Putnam's utility system to South Putnam had to be made subject to obtaining bondholder approval. Thus, RUS, WDA and City National Bank had to give their consent to the proposed sale. Accordingly, Commission Staff requested that copies of the consents to the proposed sale executed by RUS, WDA and City National Bank be filed in this proceeding when received. In addition, it was noted that the proposed acquisition of North Putnam's utility system by South Putnam will require South Putnam to adopt and maintain the current North Putnam rates and charges in accordance with Rule 14.1² of the Commission's Rules for the Construction and Filing of Tariffs (Tariff Rules). Commission Staff noted that it would typically recommend that the purchasing utility file for a rate review approximately eighteen (18) months following acquisition. However, South Putnam has a sewer rate case, Case No. 03-1041-PSD-42T, currently pending before the Commission which addresses both its rates and those to be charged to the North Putnam customers. Commission Staff stated that it had no problem with the North Putnam rates being reviewed as part of that proceeding, but the proposed sale sub judice had to be approved and South Putnam had to adopt the current North Putnam rates pending the outcome of the rate review in Case No. 03-1041-PSD-42T. Accordingly, Commission Staff recommended approval of the joint petition filed herein, contingent upon North Putnam obtaining bondholder approval and South Putnam adopting and maintaining the current North Putnam rates and charges. Commission Staff also recommended that this matter be retained by the Commission itself in order to expedite its processing.

By Order dated August 28, 2003, the Commission referred this matter to the Division of Administrative Law Judges for further disposition, with a decision due date of September 25, 2003.

FINDINGS OF FACT

1. On July 9, 2003, the South Putnam Public Service District and the North Putnam Public Service District filed a joint petition seeking Commission consent and approval for the transfer of North Putnam's public utility system to South Putnam. (See, July 9, 2003 filing).

²Tariff Rule 14.1 states:

In case of change of ownership or control of a utility, or, when a utility or a part of its business is transferred from the operating control of one company to that of another, or, when its name is changed, the company, which will thereafter operate the utility business, must use the rates, classifications and rules and regulations of the former operating company (unless authorized to change by the Commission).

2. South Putnam has been operating and maintaining the North Putnam system since the Commission approved the O&M Agreement between the two districts in Case No. 00-1134-PSWD-PC (November 14, 2000). South Putnam also holds the exclusive right and option to purchase the North Putnam system. (See, petition filed July 9, 2003).

3. South Putnam has been working with the U.S. Army Corps of Engineers to develop a sewer upgrade project for the North Putnam area, but, before the project can move forward, South Putnam must acquire the North Putnam facilities. (See, petition filed July 9, 2003).

4. Commission Staff recommended that the joint petition be approved, contingent upon obtaining the approval of North Putnam's three (3) bondholders and South Putnam adopting and maintaining North Putnam's current rates and charges until further order of the Commission. (See, Initial and Final Joint Staff Memorandum and attachment filed August 12, 2003).

CONCLUSION OF LAW

Upon consideration of all of the above, the undersigned Administrative Law Judge is of the opinion that the joint petition filed herein on July 9, 2003, by South Putnam Public Service District and North Putnam Public Service District, seeking Commission consent and approval for the transfer of North Putnam's public utility system to South Putnam, should be approved, contingent upon North Putnam and South Putnam obtaining the approval of North Putnam's three (3) bondholders, namely the Rural Utilities Service, the West Virginia Water Development Authority and City National Bank, and further contingent upon South Putnam filing an appropriate revised tariff with the Commission's Tariff Office adopting and maintaining the current North Putnam rates and charges for the former North Putnam customers, pending the outcome of the rate review in Case No. 03-1041-PSD-42T.

ORDER

IT IS, THEREFORE, ORDERED that the joint petition filed herein on July 9, 2003, by South Putnam Public Service District and North Putnam Public Service District seeking Commission consent and approval for the transfer of North Putnam Public Service District's public utility system to South Putnam Public Service District be, and hereby is, approved.

IT IS FURTHER ORDERED that the approval hereby granted is contingent upon North Putnam Public Service District and South Putnam Public Service District obtaining the approval of North Putnam Public Service District's three (3) bondholders, namely the Rural Utilities Service, the West

Virginia Water Development Authority and City National Bank, and filing copies of said approval(s) herein immediately upon receipt.

IT IS FURTHER ORDERED that the approval hereby granted is further contingent upon South Putnam Public Service District filing with the Commission's Tariff Office within thirty (30) days of the date that this Order becomes final, an appropriate tariff adopting the rates and charges now in effect for North Putnam Public Service District's customers.

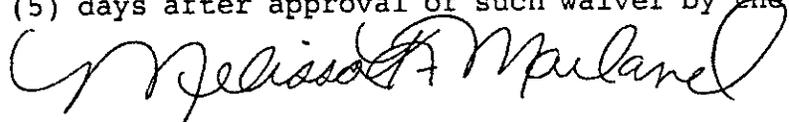
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

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

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

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

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



Melissa K. Marland
Chief Administrative Law Judge

MKM/JPC:pst
031042a.wpd

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BOOK 076 PAGE 893

2003 APR 29 AM 8:44 BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

W VA PUBLIC SERVICE SECRETARY'S OFFICE
A RESOLUTION AND ORDER EXPANDING THE TERRITORY OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT, DISSOLVING NORTH PUTNAM PUBLIC SERVICE DISTRICT AND RESCINDING AN ORDER OF THE COUNTY COMMISSION DATED MARCH 4, 1993 IN PART.

WHEREAS, the County Commission of Putnam County, West Virginia, did heretofore, by Resolution and Order adopted on MARCH 25, 2003, propose the expansion of the territory of South Putnam Public Service District, the dissolution of North Putnam Public Service District, and the partial rescission of a prior order of the County Commission which called for the creation of a new North Putnam Public Service District; and,

WHEREAS, by said MARCH 25, 2003 Resolution and Order, the County Commission did set a hearing on the proposed expansion of South Putnam Public Service District's territory for the provision of sewer service, the dissolution of North Putnam Public Service District, and the partial rescission of the March 4, 1993 Order of the County Commission for the 22ND day of APRIL, 2003, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territories of each of the public service districts, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

convenience of Putnam County to expand the territory of South Putnam Public Service District and to dissolve North Putnam Public Service District.

2. That the boundaries of South Putnam Public Service District shall be expanded to include the entire territory of Putnam County, West Virginia, located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility, or served by such municipal or private utility, for the provision of sewer service.

3. That, in order to eliminate any confusion that may have existed by virtue of the prior actions of this County Commission, the March 4, 1993 Order of the County Commission is hereby rescinded insofar as it attempted to bring about the merger and consolidation of Putnam Union Public Service Districts and the creation of a new North Putnam Public Service District.

WHEREAS, notice of the APRIL 22, 2003 hearing has been given in the manner provided and required by said Resolution and Order and by West Virginia Code §16-13A-2 and all interested parties have been offered an opportunity of being heard for and against the expansion of the territory of South Putnam Public Service District, the dissolution of North Putnam Public Service District, and the partial rescission of the March 4, 1993 Order of the County Commission, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

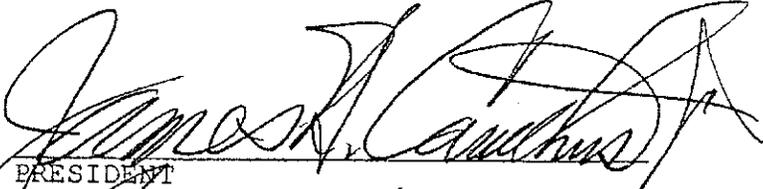
WHEREAS, it is now deemed desirable by said County Commission to adopt a Resolution and Order expanding the territory of South Putnam Public Service District for the provision of sewer service, dissolving North Putnam Public Service District, and rescinding in part the March 4, 1993 Order of the County Commission.

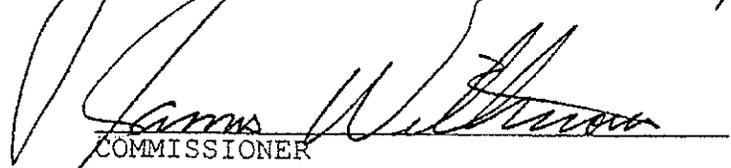
NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Putnam County as follows:

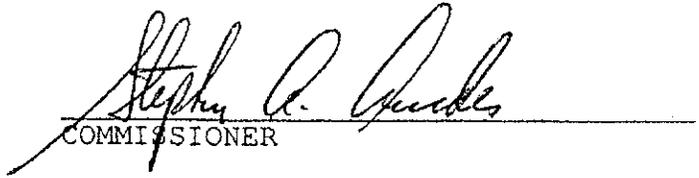
1. That the County Commission of Putnam County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, and subject further to the agreement of bondholders of the two Districts, finds that it would be conducive to the public health, comfort and

4. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not later than ten(10) days following the adoption hereof.

ENTERED into the permanent record of Putnam County, West Virginia, this 22ND day of APRIL, 2003.


PRESIDENT


COMMISSIONER


COMMISSIONER

ATTEST:


CLERK

BOOK 076 PAGE 896



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LEGAL ADVERTISING INVOICE

BOOK 076 PAGE 897

Table with 2 columns: Field Name, Value. Fields include INVOICE DATE (04/14/03), ACCOUNT NBR (087242002), SALES REP ID (0060), INVOICE NBR (021398001).

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PUTNAM CO. COMMISSON
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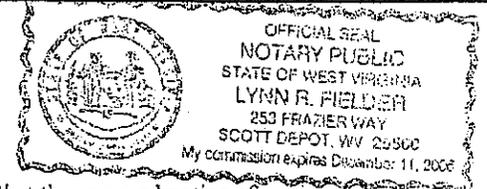
Table with 2 columns: Field Name, Value. Fields include INVOICE DATE (04/14/03), ACCOUNT NBR (087242002), SALES REP ID (0060), INVOICE NBR (021398001).

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State of West Virginia, AFFIDAVIT OF PUBLICATION

I, Sandra Story of



THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER, published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of: EXPANSION was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County West Virginia, on the 14TH day of APRIL 2003. Published during the following dates: 04/12/03-04/12/03. Subscribed and sworn to before me this 15 day of April. Printers fee \$ 242.56. Notary Public of Kanawha County, West Virginia.

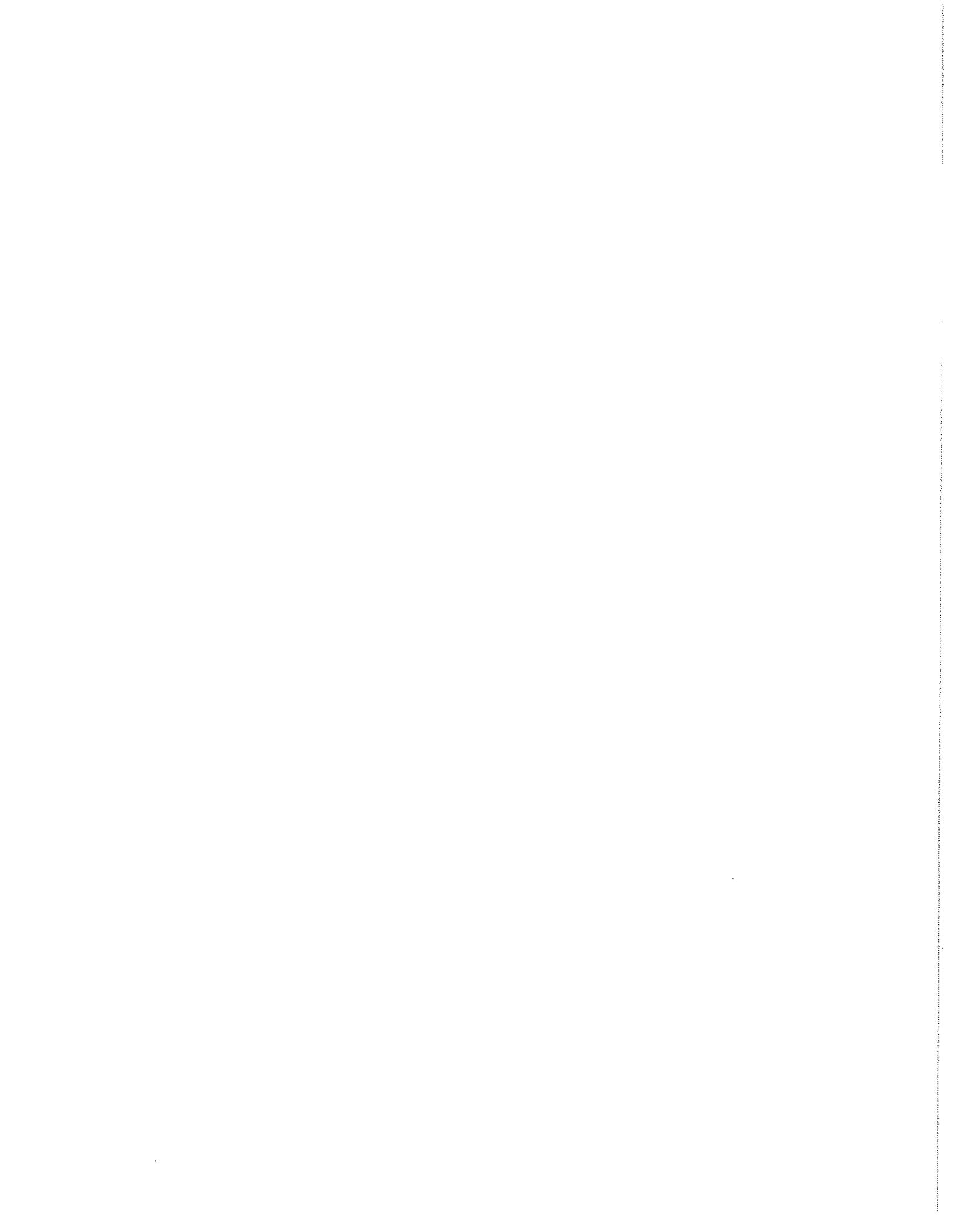
| LEGAL ADVERTISEMENT | STATEMENT | LEGAL ADVERTISEMENT |
|--|---|---|
| <p>BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY</p> <p>A RESOLUTION AND ORDER PROPOSING THE EXPANSION OF THE TERRITORY OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF NORTH PUTNAM PUBLIC SERVICE DISTRICT AND THE RESCISSION OF AN ORDER OF THE COUNTY COMMISSION DATED MARCH 4, 1993, IN PART.</p> <p>WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may expand or reduce the territory of public service districts in order to achieve efficiency of operations; and</p> <p>WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may dissolve a public service district if it is found to be inactive; and</p> <p>WHEREAS, South Putnam Public Service District currently has authority to provide water and sewer service in parts of Putnam County and has been operating North Putnam Public Service District pursuant to an Operation and Maintenance Agreement; and</p> <p>WHEREAS, South Putnam Public Service District proposes to acquire the public utility assets of North Putnam Public Service District and operate such facilities as a part of the South Putnam Public Service District; and</p> <p>WHEREAS, with the acquisition of North Putnam Public Service District's assets and the takeover of its sewer operations, North Putnam will become inactive; and</p> <p>WHEREAS, the records of the County Commission reveal that on March 4, 1993, the County Commission adopted a prior plan to merge Putnam Union Public Service District</p> | <p>and create a new North Putnam Public Service District, but that plan was not carried out due to numerous reasons; and</p> <p>WHEREAS, it is now deemed desirable by said County Commission to expand the boundaries of South Putnam Public Service District to include the entire territory of North Putnam Public Service District for the provision of sewer service and it is deemed desirable to dissolve North Putnam Public Service District and to eliminate any confusion that may exist as to the prior plan to merge Putnam Union Public Service District with North Putnam Public Service District and create a new North Putnam Public Service District by rescinding such prior order; and</p> <p>NOW, THEREFORE BE IT AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Putnam County as follows:</p> <p>1. That the County Commission of Putnam County, West Virginia, upon its own motion, proposes the expansion of the boundaries of South Putnam Public Service District to include the entire territory of Putnam County, West Virginia, located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility, or served by such municipal or private utility for the provision of sewer service;</p> <p>2. That upon the expansion of the boundaries of South Putnam Public Service District as provided for herein, the North Putnam Public Service District be dissolved;</p> <p>3. That, in order to eliminate any possible confusion with prior orders of the County Commission, the Order of the County Commission entered on March 4, 1993 be rescinded insofar as it purported to merge Putnam Union Public Service District and North Putnam Public Service Districts and create a</p> | <p>new North Putnam Public Service District</p> <p>4. That the County Commission of Putnam County, West Virginia, shall hold a hearing on the proposed expansion of the boundaries of South Putnam Public Service District and the dissolution of North Putnam Public Service District on April 22, 2003 in the Putnam County Courthouse in Winfield at 10:00 a.m.</p> <p>5. That the Clerk of the County Commission shall cause notice of hearing and a description of all of the territory proposed to be included in the territory of South Putnam Public Service District to be published as a Class I legal advertisement of at least ten (10) days prior to the hearing.</p> <p>6. That the County Commission of Putnam County shall post the notice of the hearing and the proposed expansion of the boundaries of South Putnam Public Service District and the proposed dissolution of North Putnam Public Service District in at least five conspicuous places within the territory of both South Putnam Public Service District and North Putnam Public Service District.</p> <p>7. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days prior to the hearing set forth herein.</p> <p>ENTERED into the permanent record of Putnam County, West Virginia, this 25th day of March, 2003.</p> <p>Attest: Michael W. Elliott Clerk (042917)</p> |

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
I, Michael W. Elliott, Clerk of Putnam County Commission do hereby certify that this foregoing is a true and correct copy and transcript from the record of my office.
Given under my hand and seal of said commission.

at Winfield, West Virginia, this the 28th day of April 2003
MICHAEL W. ELLIOTT, CLERK, PUTNAM COUNTY COMMISSION

By Regina Hull Deputy

BOOK 076 PAGE 898



| LEGAL ADVERTISEMENT | ADVERTISEMENT | LEGAL ADVERTISEMENT |
|---|--|---|
| <p>BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY</p> <p>A RESOLUTION AND ORDER PROPOSING THE EXPANSION OF THE TERRITORY OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF NORTH PUTNAM PUBLIC SERVICE DISTRICT AND THE RESCISSION OF AN ORDER OF THE COUNTY COMMISSION DATED MARCH 4, 1993, IN PART.</p> <p>WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may expand or reduce the territory of public service districts in order to achieve efficiency of operations; and</p> <p>WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may dissolve a public service district if it is found to be inactive; and</p> <p>WHEREAS, South Putnam Public Service District currently has authority to provide water and sewer service in parts of Putnam County, and has been operating North Putnam Public Service District pursuant to an Operation and Maintenance Agreement; and</p> <p>WHEREAS, South Putnam Public Service District proposes to acquire the public utility assets of North Putnam Public Service District and operate such facilities as a part of the South Putnam Public Service District; and</p> <p>WHEREAS, with the acquisition of North Putnam Public Service District assets and the takeover of its sewer operations, North Putnam will become inactive; and</p> <p>WHEREAS, the records of the County Commission reveal that on March 4, 1993, the County Commission adopted a prior plan to merge Putnam Union Public Service District</p> | <p>and create a new North Putnam Public Service District but that plan was not carried out due to numerous reasons.</p> <p>WHEREAS, it is now deemed desirable by said County Commission to expand the boundaries of South Putnam Public Service District to include the entire territory of North Putnam Public Service District for the provision of sewer service and it is deemed desirable to dissolve North Putnam Public Service District and to eliminate any confusion that may exist as to the prior plan to merge Putnam Union Public Service District with North Putnam Public Service District and create a new North Putnam Public Service District by rescinding such prior order;</p> <p>NOW, THEREFORE BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Putnam County as follows:</p> <p>1. That the County Commission of Putnam County, West Virginia, upon its own motion, proposes the expansion of the boundaries of South Putnam Public Service District to include the entire territory of Putnam County, West Virginia, located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility or served by such municipal or private utility for the provision of sewer service.</p> <p>2. That upon the expansion of the boundaries of South Putnam Public Service District as provided for herein, the North Putnam Public Service District be dissolved.</p> <p>3. That, in order to eliminate any possible confusion with prior orders of the County Commission, the Order of the County Commission entered on March 4, 1993 be rescinded insofar as it purported to merge Putnam Union Public Service District and North Putnam Public Service Districts and create</p> | <p>new North Putnam Public Service District.</p> <p>4. That the County Commission of Putnam County, West Virginia, shall hold a hearing on the proposed expansion of the boundaries of South Putnam Public Service District and the dissolution of North Putnam Public Service District on April 22, 2003 in the Putnam County Courthouse in Winfield at 10:00 a.m.</p> <p>5. That the Clerk of the County Commission shall cause notice of hearing and a description of all of the territory proposed to be included in the territory of South Putnam Public Service District to be published as a Class 1 legal advertisement of least ten (10) days prior to the hearing.</p> <p>6. That the County Commission of Putnam County shall post the notice of the hearing and the proposed expansion of the boundaries of South Putnam Public Service District and the proposed dissolution of North Putnam Public Service District in at least five conspicuous places within the territory of both South Putnam Public Service District and North Putnam Public Service District.</p> <p>7. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days prior to the hearing set forth herein.</p> <p>ENTERED into the permanent record of Putnam County, West Virginia, this 25th day of March, 2003.</p> <p>Attest: Michael W. Elliott Clerk (942917)</p> |

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
I, Michael W. Elliott, Clerk of Putnam County Commission do hereby certify that this foregoing is a true and correct copy and transcript from the record of my office.
Given under my hand and seal of said commission.

at Winfield, West Virginia, this the 28th day of April 2003
MICHAEL W. ELLIOTT, CLERK, PUTNAM COUNTY COMMISSION

By Regina Hull Deputy

BOOK 076 PAGE 898

BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

A RESOLUTION AND ORDER PROPOSING THE EXPANSION OF
THE TERRITORY OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT,
THE DISSOLUTION OF NORTH PUTNAM PUBLIC SERVICE DISTRICT,
AND THE RESCISSION OF AN ORDER OF THE COUNTY COMMISSION
DATED MARCH 4, 1993 IN PART

AFFIDAVIT OF POSTING

STATE OF WEST VIRGINIA,

COUNTY OF PUTNAM, to-wit:

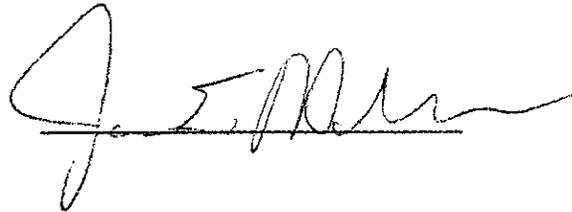
I, Jason E. Henderson, Assistant Manager of Sanitary Sewer Development
for South Putnam Public Service District, duly sworn, state as follows:

1. Pursuant to West Virginia Code §16-13A-2, the County Commission of Putnam County adopted a Resolution and Order on March 25, 2003, proposing (1) the expansion of the boundaries of South Putnam Public Service District to include the entire territory of Putnam County, West Virginia, located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility, or served by such municipal or private utility, for the provision of sewer service; (2) the dissolution of North Putnam Public Service District upon the expansion of the boundaries of South Putnam Public Service District as proposed; and (3) the rescinding of the March 14, 1993 Order of the County Commission insofar as it purported to merge

Putnam Union Public Service District and North Putnam Public Service Districts and create a new North Putnam Public Service District.

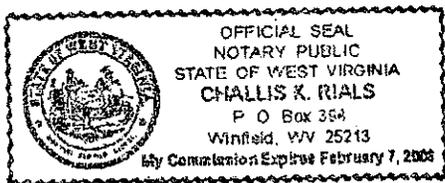
2. The Putnam County Commission scheduled a hearing to be held on April 22, 2003, at 10:00 a.m. at the Putnam County Courthouse, Winfield, West Virginia, to consider said Resolution and Order; and,
3. Pursuant to West Virginia Code §16-13A-2, the attached Public Notice of Hearing was posted in five (5) conspicuous places throughout each of the territories of South Putnam Public Service District and North Putnam Public Service District; and,
4. Said posting occurred beginning April 11, 2003 (more than ten (10) days prior to the April 22, 2003 hearing) and continuing through at least April 22, 2003, the day of the hearing.

Further affiant sayeth naught.

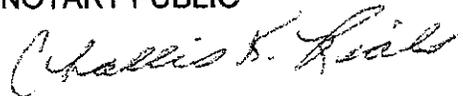


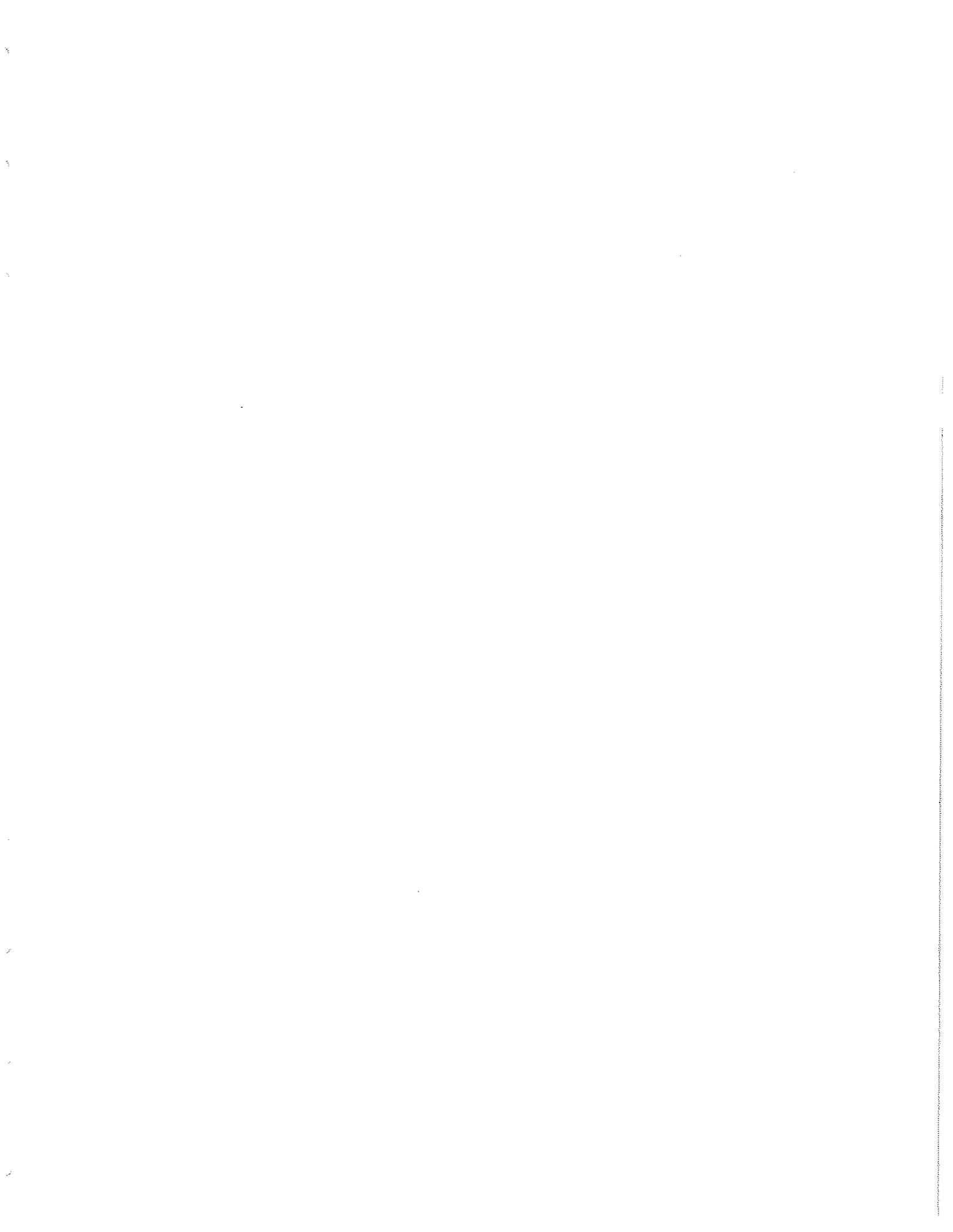
Taken, subscribed and sworn to before the undersigned by Jason E. Henderson on in his capacity as Assistant Manager of Sanitary Sewer Development for South Putnam Public Service District, on this 5th day of May, 2003.

My commission expires Feb 7, 2006.



NOTARY PUBLIC





RECEIVED

BOOK 076 PAGE 893

2003 APR 29 AM 8:44 BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

W V A RESOLUTION AND ORDER EXPANDING THE TERRITORY OF SOUTH PUTNAM
PUBLIC SERVICE DISTRICT, DISSOLVING NORTH PUTNAM PUBLIC SERVICE
SECRETARY DISTRICT AND RESCINDING AN ORDER OF THE COUNTY COMMISSION DATED
MARCH 4, 1993 IN PART.

WHEREAS, the County Commission of Putnam County, West Virginia, did heretofore, by Resolution and Order adopted on MARCH 25, 2003, propose the expansion of the territory of South Putnam Public Service District, the dissolution of North Putnam Public Service District, and the partial rescission of a prior order of the County Commission which called for the creation of a new North Putnam Public Service District; and,

WHEREAS, by said MARCH 25, 2003 Resolution and Order, the County Commission did set a hearing on the proposed expansion of South Putnam Public Service District's territory for the provision of sewer service, the dissolution of North Putnam Public Service District, and the partial rescission of the March 4, 1993 Order of the County Commission for the 22ND day of APRIL, 2003, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territories of each of the public service districts, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

WHEREAS, notice of the APRIL 22, 2003 hearing has been given in the manner provided and required by said Resolution and Order and by West Virginia Code §16-13A-2 and all interested parties have been offered an opportunity of being heard for and against the expansion of the territory of South Putnam Public Service District, the dissolution of North Putnam Public Service District, and the partial rescission of the March 4, 1993 Order of the County Commission, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirable by said County Commission to adopt a Resolution and Order expanding the territory of South Putnam Public Service District for the provision of sewer service, dissolving North Putnam Public Service District, and rescinding in part the March 4, 1993 Order of the County Commission.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Putnam County as follows:

1. That the County Commission of Putnam County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, and subject further to the agreement of bondholders of the two Districts, finds that it would be conducive to the public health, comfort and

convenience of Putnam County to expand the territory of South Putnam Public Service District and to dissolve North Putnam Public Service District.

2. That the boundaries of South Putnam Public Service District shall be expanded to include the entire territory of Putnam County, West Virginia, located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility, or served by such municipal or private utility, for the provision of sewer service.

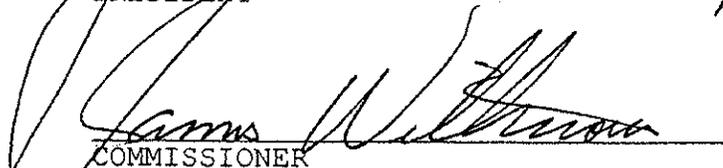
3. That, in order to eliminate any confusion that may have existed by virtue of the prior actions of this County Commission, the March 4, 1993 Order of the County Commission is hereby rescinded insofar as it attempted to bring about the merger and consolidation of Putnam Union Public Service Districts and the creation of a new North Putnam Public Service District.

4. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not later than ten(10) days following the adoption hereof.

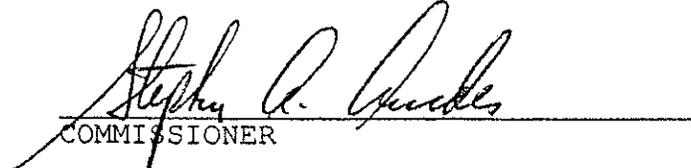
ENTERED into the permanent record of Putnam County, West Virginia, this 22ND day of APRIL, 2003.



PRESIDENT



COMMISSIONER



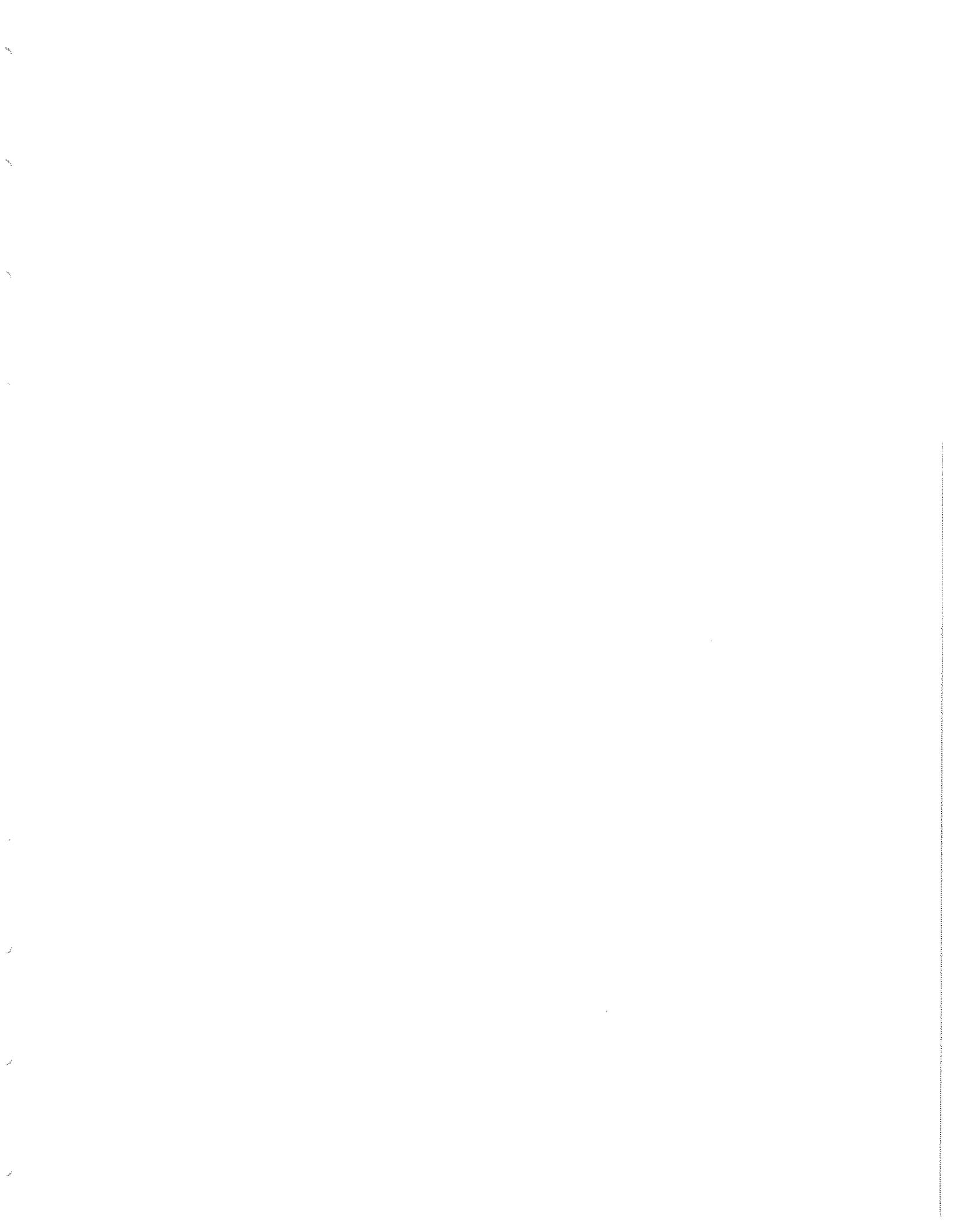
COMMISSIONER

ATTEST:



CLERK

BOOK 076 PAGE 896



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

03-YY

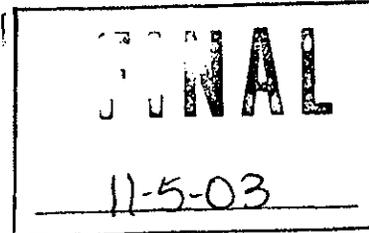
ORIGINAL

Entered: October 16, 2003.

CASE NO. 03-0536-PSWD-PC

PUTNAM COUNTY COMMISSION.

Petition for consent and approval to expand the boundaries of South Putnam Public Service District and to dissolve North Putnam Public Service District, and for rescission of the March 4, 1993 County Commission Order.

**RECOMMENDED DECISION****PROCEDURE**

On April 29, 2003, the Putnam County Commission (PCC), filed a petition with the Public Service Commission pursuant to *West Virginia Code* §16-13A-2 seeking approval of an Order of the PCC, entered on or about April 22, 2003, to expand the boundaries of South Putnam Public Service District (SPPSD), to dissolve North Putnam Public Service District (NPPSD) and to rescind, in part, a March 4, 1993 County Commission Order.

On May 20, 2003, Staff Attorney Ronald E. Robertson, Jr., Esquire, filed an Initial Joint Staff Memorandum, attaching the May 7, 2003 Initial Internal Memorandum from Utilities Analyst Supervisor William A. Nelson, Water and Wastewater Division, indicating that, once it had completed its investigation of the petition, Commission Staff would render a recommendation.

On June 2, 2003, the Commission entered the Commission Referral Order, referring this case to the ALJ Division for decision on or before November 6, 2003.

Responding to all of the above, on July 29, 2003, the Administrative Law Judge (ALJ) issued a Procedural Order establishing a procedural schedule to process and resolve this matter, including a Monday, August 18, 2003 hearing date. The Order required the PCC to publish a Notice of Hearing once a week for two consecutive weeks in a newspaper duly qualified by the Secretary of State, published and generally circulated in Putnam County and to notify the two affected public service districts by United States Certified Mail.

The ALJ convened the August 18, 2003 hearing as scheduled. The transcript of the August 18, 2003 hearing will be designated "Tr., Vol. I". No one appeared at the hearing to protest the

proposed action. However, the ALJ learned at the hearing that, although the PCC properly notified the two affected public service districts, as evidenced by two United States Certified Mail Domestic Return Receipt cards presented by the PCC, the PCC published the Notice of Hearing only in *The Charleston Gazette*, which is not a newspaper "duly qualified by the Secretary of State, published and generally circulated in Putnam County". The newspapers qualified by the Secretary of State for publishing legal advertisements to give notice in Putnam County are *The Hurricane Breeze* and *The Putnam Democrat*.

Responding to all of the above, on August 20, 2003, the ALJ issued an Order Adopting New Procedural Schedule, including a September 19, 2003 hearing date and requiring PCC to publish the Notice of Hearing in at least one of the newspapers qualified by the Secretary of State for publishing legal advertisements in Putnam County, i.e., *The Hurricane Breeze* and *The Putnam Democrat*.

On September 19, 2003, the ALJ convened the second hearing as scheduled. The transcript of the September 19, 2003 hearing will be designated "Tr., Vol. II". Commission Staff appeared by counsel, Staff Attorney Robertson, and the PCC, which did not make a formal appearance by counsel, appeared by its County Administrator. Again, no one appeared to protest the petition.

The only evidence presented was documentary, with Staff presenting two exhibits and the PCC submitting two exhibits.

EVIDENCE

The parties stipulated to the documentary evidence.

The ALJ received the August 11, 2003 Final Joint Staff Memorandum, attaching the August 5, 2003 Final Internal Memorandum from Utilities Analyst Supervisor William A. Nelson, Water and Wastewater Division, in evidence as Staff Exhibit No. 1. Commission Staff recommended that the Commission approve the petition. (See, Tr., Vol. I, generally).

The ALJ received a publication affidavit indicating that the County Commission had published the Notice of Hearing for the August 18, 2003 hearing, on August 5 and 12, 2003, in *The Charleston Gazette*, in evidence as Staff Exhibit No. 2. (See, Tr., Vol. I, generally).

The ALJ received two United States Certified Mail Domestic Return Receipt green cards into evidence as County Commission Exhibit No. 1. (See, Tr., Vol. I, generally).

The ALJ received two publication affidavits indicating that the County Commission had published the Notice of Hearing, for the September 19, 2003 hearing, on August 28 and September 4, 2003, in *The Hurricane Breeze*, a newspaper published and generally circulated in Putnam County. (See, Tr., Vol. II, generally).

Staff Attorney Robertson noted on the record that, on September 5, 2003, a Recommended Decision had been entered in Case No. 03-1042-PSWD-PC, *South Putnam Public Service District and North Putnam Public Service District*, wherein the South Putnam Public Service District was authorized to acquire the North Putnam Public Service District. (See, Tr., Vol. II, generally).

The September 5, 2003 Recommended Decision, final on September 25, 2003, included the following ordering paragraphs:

IT IS, THEREFORE, ORDERED that the joint petition filed herein on July 9, 2003, by South Putnam Public Service District and North Putnam Public Service District seeking Commission consent and approval for the transfer of North Putnam Public Service District's public utility system to South Putnam Public Service District be, and hereby is, approved.

IT IS FURTHER ORDERED that the approval hereby granted is contingent upon North Putnam Public Service District and South Putnam Public Service District obtaining the approval of North Putnam Public Service District's three (3) bondholders, namely the Rural Utilities Service, the West Virginia Water Development Authority and City National Bank, and filing copies of said approval(s) herein immediately upon receipt.

IT IS FURTHER ORDERED that the approval hereby granted is further contingent upon South Putnam Public Service District filing with the Commission's Tariff Office within thirty (30) days of the date that this Order becomes final, an appropriate tariff adopting the rates and charges now in effect for North Putnam Public Service District's customers.

DISCUSSION

Having considered all of the above, the ALJ holds that he will grant the April 29, 2003 petition, filed with the Commission pursuant to *West Virginia Code* §16-13A-2, seeking approval of an Order of the PCC, entered on or about April 22, 2003, to expand the boundaries of South Putnam Public Service District, to dissolve North Putnam Public Service District and to rescind, in part, a March 4, 1993 County Commission Order. This approval is contingent upon each of the affected public service districts obtaining the approval of their respective bondholders and filing copies of said approvals immediately upon receipt.

FINDINGS OF FACT

1. The Putnam County Commission filed a petition with the Public Service Commission under *West Virginia Code* §16-13A-2 seeking approval of an Order of the PCC, entered on or about April 22, 2003, to expand the boundaries of South Putnam Public Service District, to dissolve North

Putnam Public Service District and to rescind, in part, a March 4, 1993 County Commission Order. (See, April 29, 2003 petition).

2. Commission Staff has recommended approving the petition. (See, Staff Exhibit No. 1).

3. The County Commission properly published the Notice of Hearing for the September 19, 2003 hearing, and no one appeared at the hearing to protest to petition. (See, Tr., Vols., I and II, generally; County Commission Exhibit No. 1).

4. A recommended decision has been entered in Case No. 03-1042-PSWD-PC, *South Putnam Public Service District and North Putnam Public Service District*, wherein the South Putnam Public Service District was authorized to acquire the North Putnam Public Service District. (See, Tr., Vol. II, generally; Recommended Decision, entered September 5, 2003, final September 25, 2003).

CONCLUSIONS OF LAW

1. For all of the reasons set forth in Finding of Fact Nos. 2 and 3, it is reasonable to grant the petition.

2. It is reasonable to condition the approval contingent upon each of the affected public service districts obtaining the approval of their respective bondholders and filing copies of said approvals immediately upon receipt.

ORDER

IT IS, THEREFORE, ORDERED that the Order of the Putnam County Commission, entered on or about April 22, 2003, expanding the boundaries of South Putnam Public Service District, dissolving North Putnam Public Service District and rescinding, in part, a March 4, 1993 County Commission Order, be, and hereby is, approved.

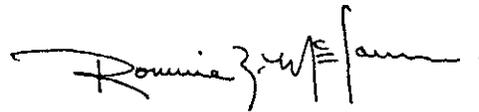
IT IS FURTHER ORDERED that the approval hereby granted is contingent upon each of the affected public service districts obtaining the approval of their respective bondholders and filing copies of said approvals immediately upon receipt.

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

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

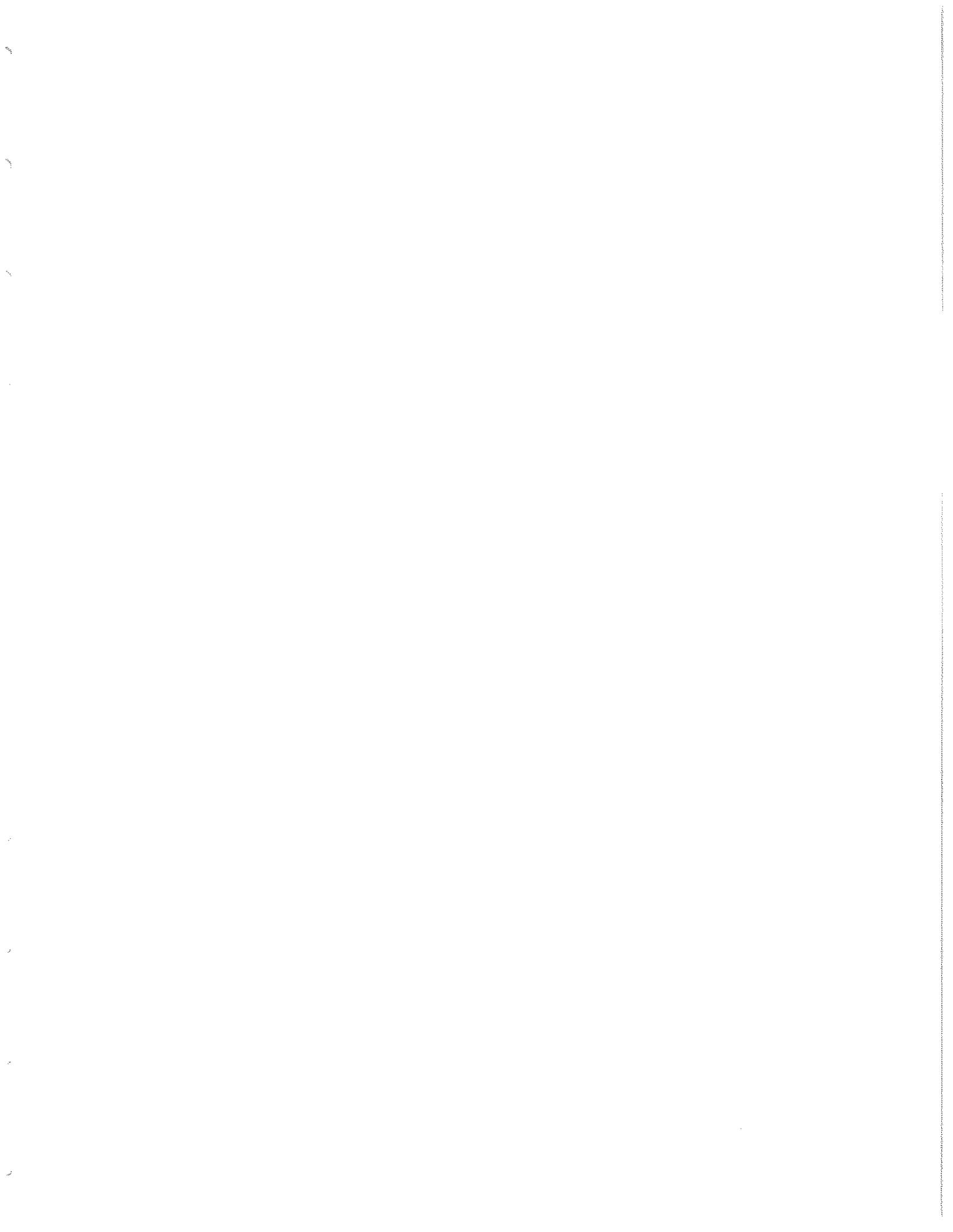
If no exceptions are so filed this Recommended Decision shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

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



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
030536ab.wpd



BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

RE: SOUTH PUTNAM PUBLIC SERVICE DISTRICT
West Virginia Code §16-13A-4(f)
Request for Official Name Change

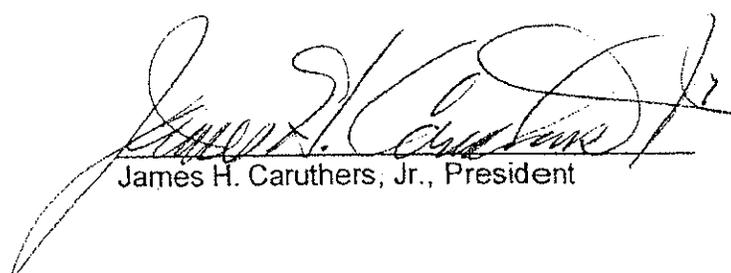
ORDER

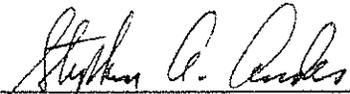
On the 25th day of April, 2006, came South Putnam Public Service District and filed a request, pursuant to *West Virginia Code §16-13A-4(f)*, for an official name change of South Putnam Public Service District to Putnam Public Service District.

West Virginia Code §16-13A-4(f) provides that any such name change shall not take effect until approved by the Public Service Commission of West Virginia and the written consent of the owners of any bonds or notes issued by the District.

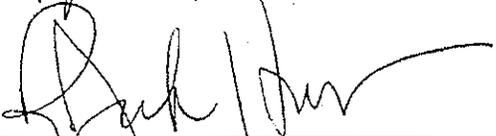
IT IS THEREFORE ORDERED that, pursuant to *West Virginia Code §16-13A-4(f)*, the official name of South Putnam Public Service District shall be changed to Putnam Public Service District effective upon approval of the Public Service Commission of West Virginia and the written consent of the owners of any bonds or notes issued by the District.

ENTERED into the permanent record of Putnam County, West Virginia, this
25th day of April, 2006.


James H. Caruthers, Jr., President

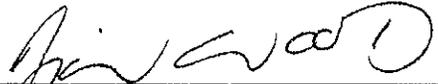


Stephen Andes, Commissioner



R. Joseph Haynes, Commissioner

ATTEST:



CLERK

**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 7th day of June, 2006.

CASE NO. 03-1042-PSWD-PC

**SOUTH PUTNAM PUBLIC SERVICE DISTRICT
and NORTH PUTNAM PUBLIC SERVICE DISTRICT**

Joint petition for consent and approval for the sale of North Putnam Public Service District's utility system to South Putnam Public Service District.

COMMISSION ORDER

On July 9, 2003 the South Putnam Public Service District (South Putnam) and the North Putnam Public Service District (North Putnam) filed a joint petition seeking Commission consent and approval for the transfer of North Putnam's public utility system (utility system) to South Putnam. In support of the joint petition, South Putnam and North Putnam stated:

- (1) The proposed transfer of the North Putnam utility system to South Putnam will be conducive to the preservation of the public health, comfort and convenience of Putnam County;
- (2) Pursuant to an Operation and Maintenance Agreement (O&M Agreement) previously entered into between the Petitioners and approved by the Commission in Case No. 00-1134-PSWD-PC (November 14, 2000), South Putnam has been operating and maintaining the utility system of North Putnam;
- (3) In the O&M Agreement, North Putnam granted unto South Putnam the exclusive right and option to purchase North Putnam's existing public utility system for the consideration of One Dollar (\$1.00), and the complete assumption of any outstanding indebtedness owed by North Putnam to the Rural Utilities Service (RUS), West Virginia Water Development Authority (WDA) and City National Bank;

(4) South Putnam has been working with the U.S. Army Corps of Engineers in developing a sewer upgrade project for the area currently served by the sewer facilities of North Putnam Public Service District. The Corps of Engineers, which is providing grant monies for the sewer upgrade project, has notified South Putnam that, before the proposed project can move forward, South Putnam will need to acquire the facilities of North Putnam. Therefore, South Putnam wishes to exercise its option to purchase North Putnam's public utility assets pursuant to the O&M Agreement;

(5) The Putnam County Commission has adopted a Resolution proposing (1) the expansion of South Putnam's territory to include the entire territory in Putnam County located north of the Kanawha River and not contained within the boundaries of any municipal or private utility, which area contains the operating territory of North Putnam Public Service District; (2) the dissolution of North Putnam Public Service District; and (3) the rescission of a portion of a March 4, 1993 County Commission Order insofar as it purported to merge Putnam Union Public Service District and North Putnam Public Service District and create a new North Putnam Public Service District. Pursuant to the requirements of *West Virginia Code* § 16-13A-2, the County Commission has filed the appropriate documents with the Public Service Commission seeking its approval of the County Commission's actions. See, Case No. 03-0536-PSWD-PC;

(6) On August 3, 2000, the Board of North Putnam held a hearing pursuant to the requirements of *West Virginia Code* § 16-13A-18a. Following the hearing, at which no member of the public appeared, North Putnam unanimously approved the transfer of that district's assets to South Putnam. A copy of the minutes of the August 3, 2000 meeting was attached to the joint petition as Exhibit 1. A copy of the affidavit of publication notifying the public of the hearing to be held on August 3, 2000 was attached as Exhibit 2. A copy of the resolution of the Board of North Putnam authorizing the Board to undertake all actions necessary to effectuate the transfer of its system to South Putnam was attached to the petition as Exhibit 3;

(7) On July 8, 2003, the County Commission of Putnam County, West Virginia, unanimously passed a resolution approving the action of North Putnam in seeking to transfer its system to South Putnam, subject to the approval of the Public Service Commission and subject to the further approval of North Putnam's bondholders. A copy of the resolution of the County Commission was attached to the petition as Exhibit 4; and

(8) In order for South Putnam to obtain the necessary funds for the construction of needed sewer facilities in the territory of North Putnam, it is necessary that South Putnam have ownership of North Putnam's current utility assets.

On July 10, 2003 counsel for the Petitioners filed original verifications for the joint petition filed herein on July 9, 2003.

On August 12, 2003 Staff Attorney Ronald E. Robertson, Jr., filed an "Initial and Final Joint Staff Memorandum." An "Initial and Final Internal Memorandum" dated August 5, 2003 from William A. Nelson, Utilities Analyst Supervisor, Water and Wastewater Division, and Jonathan Fowler, P.E., Engineer I, Engineering Division, was attached thereto. Commission Staff (Staff) stated that, based upon its review of the petition and exhibits attached thereto, South Putnam and North Putnam had met the requirements of *West Virginia Code* § 16-13A-18a regarding the sale of North Putnam's utility system to South Putnam. Staff, after noting the Putnam County Commission's pending Case No. 03-0536-PSWD-PC, seeking Commission approval, in part, to dissolve North Putnam and expand South Putnam's boundaries to encompass the current service area of North Putnam, stated that the sale of North Putnam's utility system had to be approved and finalized prior to the dissolution actually occurring.¹ Staff went on to note that approval of the sale of North Putnam's utility system to South Putnam had to be made subject to obtaining bondholder approval. Thus, RUS, WDA and City National Bank had to give their consent to the proposed sale. Accordingly, Staff requested that copies of the consents to the proposed sale executed by RUS, WDA and City National Bank be filed in this proceeding when received. In addition, it was noted that the proposed acquisition of North Putnam's utility system by South Putnam will require South Putnam to adopt and maintain the current North Putnam rates and charges in accordance with Rule 14.1² of the Commission's *Rules for the Construction and Filing of*

¹ Staff noted that it intended to file its final recommendation in the dissolution case concurrently with the filing of its final recommendation in this proceeding, which would allow final orders to be issued on or about the same date in both cases. However, since a hearing scheduled for September 19, 2003 must be held in Case No. 03-0536-PSWD-PC regarding the dissolution of North Putnam, Staff was of the opinion that it was likely that the acquisition of North Putnam's utility system by South Putnam would be approved first, with approval of North Putnam's dissolution to follow some time thereafter.

²*Tariff Rule 14.1* states:

In case of change of ownership or control of a utility, or, when a utility or a part of its business is transferred from the operating control of one company to that of another, or, when its name is changed, the company,

Tariffs (Tariff Rules). Staff noted that it would typically recommend that the purchasing utility file for a rate review approximately eighteen (18) months following acquisition. However, South Putnam had a sewer rate case, Case No. 03-1041-PSD-42T, pending before the Commission which addressed both its rates and those to be charged to the North Putnam customers. Staff stated that it had no problem with the North Putnam rates being reviewed as part of that proceeding, but the proposed sale *sub judice* had to be approved and South Putnam had to adopt the current North Putnam rates pending the outcome of the rate review in Case No. 03-1041-PSD-42T. Accordingly, Staff recommended approval of the joint petition filed herein, contingent upon North Putnam obtaining bondholder approval and South Putnam adopting and maintaining the current North Putnam rates and charges. Staff also recommended that this matter be retained by the Commission in order to expedite its processing.

By Order dated August 28, 2003 the Commission referred this matter to the Division of Administrative Law Judges (ALJ) for further disposition, with a decision due date of September 25, 2003.

On September 5, 2003 the assigned ALJ issued a Recommended Decision ordering the following:

IT IS, THEREFORE, ORDERED that the joint petition filed herein on July 9, 2003, by South Putnam Public Service District and North Putnam Public Service District seeking Commission consent and approval for the transfer of North Putnam Public Service District's public utility system to South Putnam Public Service District be, and hereby is, approved.

IT IS FURTHER ORDERED that the approval hereby granted is contingent upon North Putnam Public Service District and South Putnam Public Service District obtaining the approval of North Putnam Public Service District's three (3) bondholders, namely the Rural Utilities Service, the West Virginia Water Development Authority and City National Bank, and filing copies of said approval(s) herein immediately upon receipt.

IT IS FURTHER ORDERED that the approval hereby granted is further contingent upon South Putnam Public Service District filing with the

which will thereafter operate the utility business, must use the rates, classifications and rules and regulations of the former operating company (unless authorized to change by the Commission).

Commission's Tariff Office within thirty (30) days of the date that this Order becomes final, an appropriate tariff adopting the rates and charges now in effect for North Putnam Public Service District's customers.

The ALJ's Recommended Decision became a Final Order of the Commission on September 25, 2003.

On April 28, 2006 South Putnam filed a "Petition to Reopen" noting that South Putnam is in the process of finalizing the acquisition, and that the bond issuance associated therewith is anticipated to occur in June of 2006. The filing noted that by Order entered April 25, 2006 the County Commission of Putnam County changed the official name of South Putnam to "Putnam Public Service District" contingent upon approval of the Public Service Commission and the written consent of any existing holders of bonds or notes issued by South Putnam. So that a new bond issuance scheduled to occur in June of 2006 will include the new name of the "Putnam Public Service District," the petition requested expedited treatment.

On June 1, 2006 Staff filed its "Initial and Final Joint Staff Memorandum." Therein, Staff recommended approval of the name change of the South Putnam Public Service District to the "Putnam Public Service District" subject to the filing of the written consent of any existing holders of bonds or notes issued by South Putnam, pursuant to *West Virginia Code* § 16-13A-4(f). Staff further recommended that South Putnam provide notice to its customers of the new name. Staff also recommended that South Putnam be authorized to change all of its outstanding loans and bank accounts to the name of "Putnam Public Service District" after bond holder approval is received.

On June 5, 2006 South Putnam filed a letter in response to the Initial and Final Joint Staff Memorandum filed on June 1, 2006. The letter from South Putnam stated, in part, the following:

Please be advised that the bondholders will not grant their consent **until** the Commission has granted approval to the name change. Therefore, in order to clarify what Staff is recommending without delaying this matter any further so that the bonds anticipated to be issued shortly may be issued in the new name of the District, it is respectfully requested that the Commission's Order approving the name change contain language to the effect that the name change is approved "conditioned upon the District providing the Commission with written proof of the approval of the bondholders." [Emphasis in original.]

Regarding public notice to the District's customers, the District will adhere to any post-approval publication of notice to its customers of the name change that the Commission may require in its Order.

DISCUSSION

West Virginia Code § 16-13A-4(f) reads as follows:

(f) The county commission which created a district or county commissions if more than one created the district may, upon written request of the district, adopt an order changing the official name of a public service district: *Provided*, That such name change will not be effective until approved by the public service commission of West Virginia and the owners of any bonds and notes issued by the district, if any, shall have consented, in writing, to the name change. If a district includes territory located in more than one county, the county commission or county commissions changing the name of the district shall provide any county commission into which the district also extends with a certified copy of the order changing the name of the district. The official name of any district created under the provisions of this article may contain the name or names of any city, incorporated town or other municipal corporation included therein or the name of any county or counties in which it is located.

Rule 14 of the Commission's *Tariff Rules* reads in part as follows:

§150-2-14. Change of Ownership.

14.1. RULE 31. In case of change of ownership or control of a utility, or when a utility or a part of its business is transferred from the operating control of one company to that of another, or **when its name is changed**, the company which will thereafter operate the utility business must use the rates, classifications and rules and regulations of the former operating company, (unless authorized to change by the Commission).

14.4. RULE 34. Within thirty (30) days after the Commission approves an application filed pursuant to Rule 14.1., said utility shall issue and file in its own name the tariff of the predecessor utility then in effect and adopted by it, or such other tariff as it proposes to put into effect in lieu thereof, as prescribed in Rules 1 through 13 hereof with proper identifying

designation. (Example: P.S.C. W. Va. No. 1 cancels P.S.C. W. Va. No. 1 of [insert predecessor utility]).

14.6. RULE 36. When a tariff or revision is issued by a utility in compliance with Rule 34 which states the rates, rules and regulations of the predecessor utility without change in any of the provisions thereof, the same may be filed without notice, but when such tariff or revision states any change in the effect of the rates, rules and regulations of the predecessor utility, such tariff or revision shall be subject in all respects as to filing and notice as required by these Rules. [Emphasis added.]

West Virginia Code § 16-13A-4(f) describes two actions that must occur prior to a name change becoming effective. The Commission must approve it. Additionally, the owners of the bonds and notes issued by the district must consent in writing. The two approvals are not contingent upon one another; each occurs independently of the other.

The Commission shall grant its approval for the name change. The Commission shall also require that South Putnam provide documentation evidencing the bond holders' written approval.

Tariff Rule 14.6 permits the Commission to require the utility to provide notice to its customers of the name change. The Commission shall do so by this order but shall modify the notice requirement by requiring South Putnam to provided notice to its customers by publishing a copy of the attached "Notice of Name Change."

Finally, the Commission shall require South Putnam to file a revised tariff containing its new name as approved herein.

FINDINGS OF FACT

1. South Putnam requested approval to change its name to "Putnam Public Service District." See, Petition to Reopen filed April 28, 2006.
2. The County Commission of Putnam County adopted an Order on April 25, 2006 approving the proposed name change pursuant to *West Virginia Code* § 16-13A-4(f).

CONCLUSIONS OF LAW

1. The Commission shall approve the requested name change.

2. The Commission shall require South Putnam to provide documentation evidencing the bond holders' written approval.

3. The Commission shall require South Putnam to provide notice to its customers of the name change by way of publication.

4. It is also reasonable to require South Putnam to file a revised tariff containing its new name as approved herein.

ORDER

IT IS THEREFORE ORDERED that the request by the South Putnam Public Service District to change its name to "Putnam Public Service District" is hereby approved.

IT IS FURTHER ORDERED that South Putnam shall provide the Commission with documentation evidencing that the owners of any bonds and/or notes issued by South Putnam have consented, in writing, to the name change, as soon as such documentation is available.

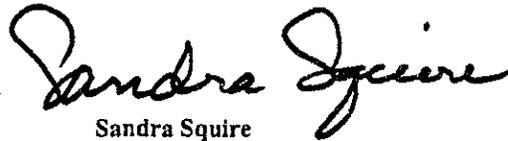
IT IS FURTHER ORDERED that upon written approval by the bond and/or note holders, South Putnam shall publish the attached Notice of Name Change one time in a newspaper published in the county or counties where its customers are located. South Putnam shall file an affidavit of publication upon receipt of such document.

IT IS FURTHER ORDERED that South Putnam shall file with the Commission's Tariff Office an original and five (5) copies of a proper tariff reflecting its name change to Putnam Public Service District within thirty (30) days of the date of written approval by the bond and/or note holders of the name change.

IT IS FURTHER ORDERED that upon entry of this order this case shall be removed from the Commission's docket of open 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

JJW/klm
031042ca.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO. 03-1042-PSWD-PC
SOUTH PUTNAM PUBLIC SERVICE DISTRICT

NOTICE OF NAME CHANGE

By a Recommended Decision issued September 5, 2003 (Final Commission Order, September 25, 2003) the Commission approved the transfer of the North Putnam Public Service District's public utility system to the South Putnam Public Service District.

On April 28, 2006 the South Putnam Public Service District filed a "Petition to Reopen" requesting approval to change the name of the district to "Putnam Public Service District."

According to *West Virginia Code* § 16-13A-4(f) a name change as requested by South Putnam requires the approval of the West Virginia Public Service Commission and the written consent of any existing holders of bonds or notes issued by South Putnam.

By a Commission Order entered June 7, 2006 the Commission granted its approval of the name change and further ordered South Putnam to provide notice to its customers upon receiving the written consent of its bond and note holders. Such approval was received.

Accordingly, please note that the new name of the South Putnam Public Service District shall be: "Putnam Public Service District."

PUTNAM PUBLIC SERVICE DISTRICT

THE HURRICANE BREEZE

THE WEEKLY NEWSPAPER FOR ALL OF PUTNAM COUNTY

488 HURRICANE CREEK ROAD
P.O. BOX 310
HURRICANE, WEST VIRGINIA 25526

LEGAL ADVERTISEMENT

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON
CASE NO. 03-1042-PSWD-PC
SOUTH PUTNAM PUBLIC SERVICE
DISTRICT

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PUTNAM PUBLIC SERVICE
DISTRICT

7-6-11

CERTIFICATE OF PUBLICATION

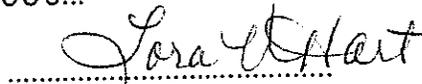
STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, To wit:

This day personally appeared before me, a Notary Public of said County of Putnam,.....Ron.Allen.....of The Hurricane Breeze, and after being duly sworn deposes and says that the attached legal publication was duly published in The Hurricane Breeze for..One..(1) consecutive issues, in its issues dated July 6, 2006..

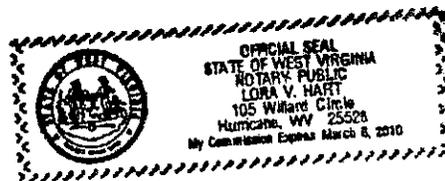


The Hurricane Breeze

Subscribed and sworn to before me this.. 10th.....day
of..... July, 2006...



Notary Public



CERTIFICATE OF SERVICE

I, Robert R. Rodecker, counsel for Putnam Public Service District, do hereby certify that copy of the foregoing document has been served on this 12th day of July, 2006, upon Staff Attorney Ronald E. Robertson, Jr., via hand delivery.



ROBERT R. RODECKER

BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

ORDER APPROVING AND RATIFYING THE ACQUISITION OF THE ASSETS OF NORTH PUTNAM PUBLIC SERVICE DISTRICT BY SOUTH PUTNAM PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF NORTH PUTNAM PUBLIC SERVICE DISTRICT, THE EXPANSION OF THE BOUNDARIES OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT AND THE CHANGE OF THE NAME OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT TO PUTNAM PUBLIC SERVICE DISTRICT

WHEREAS, South Putnam Public Service District (hereinafter "South Putnam") is a public service district and public corporation created by Resolution of The County Commission of Putnam County (hereinafter, the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, North Putnam Public Service District (hereinafter "North Putnam") is a public service district and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of the Act, originally named "East Kanawha Public Service District", which name has previously been changed by the County Commission to "North Putnam Public Service District";

WHEREAS, the County Commission adopted a resolution on July 8, 2003, approving the transfer of the assets of North Putnam to South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 5, 2003, approved the transfer of the assets of North Putnam to South Putnam, subject to the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 22, 2003, approving the dissolution of North Putnam and expanding the boundaries of South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-0536-PSWD-PC, by Final Order entered on November 5, 2003, approved the dissolution of North Putnam and the expansion of the boundaries of South Putnam, subject to the transfer of the assets of North Putnam to South Putnam as approved in Case No. 03-1042-PSWD-PC and the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 25, 2005, changing the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Commission Order entered on June 7, 2006, approved the change of the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the bondholders of the Districts;

WHEREAS, the West Virginia Water Development Authority, as the holder of the Sewer Revenue Bonds, Series 1993 (the "Series 1993 Bonds") heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1993 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Sewer Revenue Bonds, Series 1975 (the "Series 1975 Bonds") heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 2002 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1979 Bonds, Series 1995 Bonds, Series 2002 A Bonds, Series 2006 A Bonds and Series 2006 B Bonds heretofore issued by South Putnam

has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;" and

WHEREAS, it is now deemed desirous by the County Commission to adopt a Resolution approving and ratifying the transfer of the Assets of North Putnam to South Putnam and the assumption by South Putnam of the Series 1975 Bonds and Series 1993 Bonds, ratifying and confirming all lawful actions taken by all parties and their counsel to effectuate and complete such transfer and assumption, ordering the Public Service Boards of North Putnam and South Putnam to expeditiously take all actions necessary to consummate and complete the transaction, ordering North Putnam be dissolved immediately following the consummation of the transfer and assumption, and further ordering that the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District" be effective immediately upon the consummation of the transfer and assumption.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED BY THE COUNTY COMMISSION OF PUTNAM COUNTY AS FOLLOWS:

1. That the transfer of the assets of North Putnam to South Putnam and assumption by South Putnam of the Series 1975 Bonds and Series 1993 Bonds (collectively, the "Transfer and Assumption") is hereby ratified, confirmed and, upon execution and filing of necessary documents by the Public Service Boards of the respective Districts, in all respects deemed completed and to be effective as of the close of business on June 30, 2006.

2. That all lawful actions taken, or to be taken, by the parties to this transaction and their counsel to effectuate and complete the Transfer and Assumption are hereby ratified and confirmed.

3. That the Public Service Boards of North Putnam and South Putnam are hereby ordered to expeditiously take all actions necessary to consummate and complete the Transfer and Assumption.

4. That, immediately following the consummation of the Transfer and Assumption, North Putnam shall be dissolved.

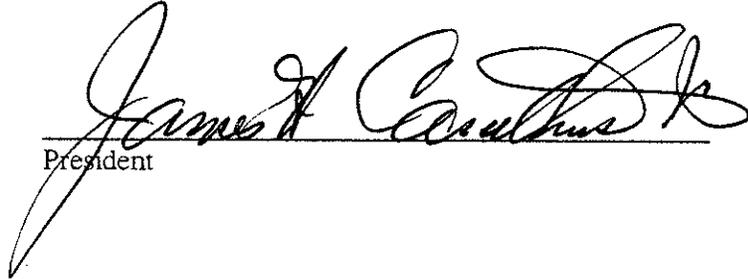
5. That, immediately following the consummation of the Transfer and Assumption, the boundaries of South Putnam shall be expanded and the name of South Putnam Public Service District shall be changed to "Putnam Public Service District."

6. The Transfer and Assumption of North Putnam, the expansion of South Putnam's boundaries, the name change to Putnam Public Service District and the dissolution of North Putnam shall all become effective as of the close of business on June 30, 2006.

7. This Resolution and Order shall be effective immediately following adoption hereof.

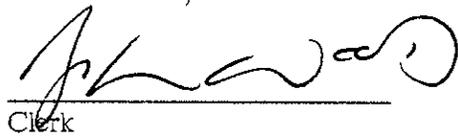
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ENTERED into the permanent record of Putnam County, West Virginia, this
27th day of June, 2006.



President

ATTEST:



Clerk

06.25.06
847280.00004

NORTH PUTNAM PUBLIC SERVICE DISTRICT

A RESOLUTION AUTHORIZING AND RATIFYING
THE TRANSFER OF THE ASSETS OF NORTH
PUTNAM PUBLIC SERVICE DISTRICT, THE
ASSIGNMENT OF THE BONDS OF NORTH PUTNAM
PUBLIC SERVICE DISTRICT TO SOUTH PUTNAM
PUBLIC SERVICE DISTRICT AND THE DISSOLUTION
OF NORTH PUTNAM PUBLIC SERVICE DISTRICT

WHEREAS, North Putnam Public Service District (hereinafter "North Putnam") is a public service district and public corporation created by Resolution of The County Commission of Putnam County (hereinafter, the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, South Putnam Public Service District (hereinafter "South Putnam") is a public service district and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of the Act;

WHEREAS, the Public Service Board of North Putnam adopted a resolution on July 11, 2000, following a duly noticed public hearing, authorizing the transfer of the assets of North Putnam to South Putnam and the assignment of the North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated October 23, 1975, issued in the original aggregate principal amount of \$605,000, originally issued under the name "East Kanawha Public Service District" (the "Series 1975 Bonds") and the North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$267,000 (the "Series 1993 Bonds") to South Putnam;

WHEREAS, the County Commission adopted a resolution on July 8, 2003, approving the transfer of the assets of North Putnam to South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 5, 2003, approved the transfer of the assets of North Putnam to South Putnam and the assignment of the Series 1975 Bonds and the Series 1993 Bonds to South Putnam (collectively, the "Transfer and Assignment"), subject to the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 22, 2003, approving the dissolution of North Putnam and expanding the boundaries of South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-0536-PSWD-PC, by Final Order entered on November 5, 2003, approved the dissolution of North Putnam and the expansion of the boundaries of South Putnam, subject to the transfer of the assets of North Putnam to South Putnam as approved in Case No. 03-1042-PSWD-PC and the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 25, 2005, changing the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Commission Order entered on June 7, 2006, approved the change of the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the bondholders of the Districts;

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 1993 Bonds heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1993 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1975 Bonds heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 2002 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1979 Bonds, Series 1995 Bonds, Series 2002 A Bonds, Series 2006 A Bonds and Series 2006 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;"

WHEREAS, The County Commission of Putnam County plans to adopt a resolution on June 27, 2006, approving and ratifying the proposed Transfer and Assumption, the dissolution of North Putnam, the expansion of the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;"

WHEREAS, the Board of South Putnam plans to adopt a resolution on June 27, 2006, approving and ratifying the proposed Transfer and Assumption;

WHEREAS, contemporaneously with the transfer of the assets of North Putnam to South Putnam, North Putnam desires to assign, and South Putnam desires to assume all liabilities for and obligations under the Series 1975 Bonds and the Series 1993 Bonds; and

WHEREAS, it is in the best interest of the customers of South Putnam and North Putnam to complete the proposed Transfer and Assumption, to convey all assets, rights, privileges, immunities and powers of North Putnam to South Putnam, for South Putnam to assume and re-designate the Series 1975 Bonds and the Series 1993 Bonds, for North Putnam to be dissolved, for the boundaries of South Putnam to be expanded and for the name of South Putnam Public Service District to be changed to Putnam Public Service District.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF NORTH PUTNAM PUBLIC SERVICE DISTRICT, PUTNAM COUNTY, WEST VIRGINIA AS FOLLOWS:

1. North Putnam does hereby authorize and ratify the transfer of the assets of North Putnam to South Putnam, the assignment of the Series 1975 Bonds and the Series 1993 Bonds to South Putnam and the dissolution of North Putnam.

2. That, immediately following the consummation of the Transfer and Assumption on or about June 30, 2006, North Putnam shall be dissolved.

3. The Chairman and Secretary of North Putnam are hereby authorized and directed to execute all documents concerning the Transfer and Assumption, specifically including, but not limited to, the assignment of the Series 1975 Bonds and the Series 1993 Bonds.

4. The Chairman and Secretary of North Putnam are hereby authorized and directed to execute all documents concerning the dissolution of North Putnam.

5. The Chairman and Secretary of North Putnam are vested with the appropriate authority to take any and all actions necessary to complete Transfer and Assumption and the dissolution of North Putnam.

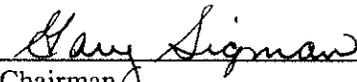
6. This Resolution shall become effective immediately upon adoption hereof.

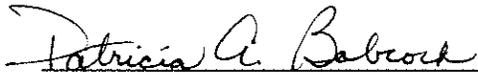
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Adopted by the Public Service Board of North Putnam Public Service District
at a meeting held on the 27th day of June, 2006.

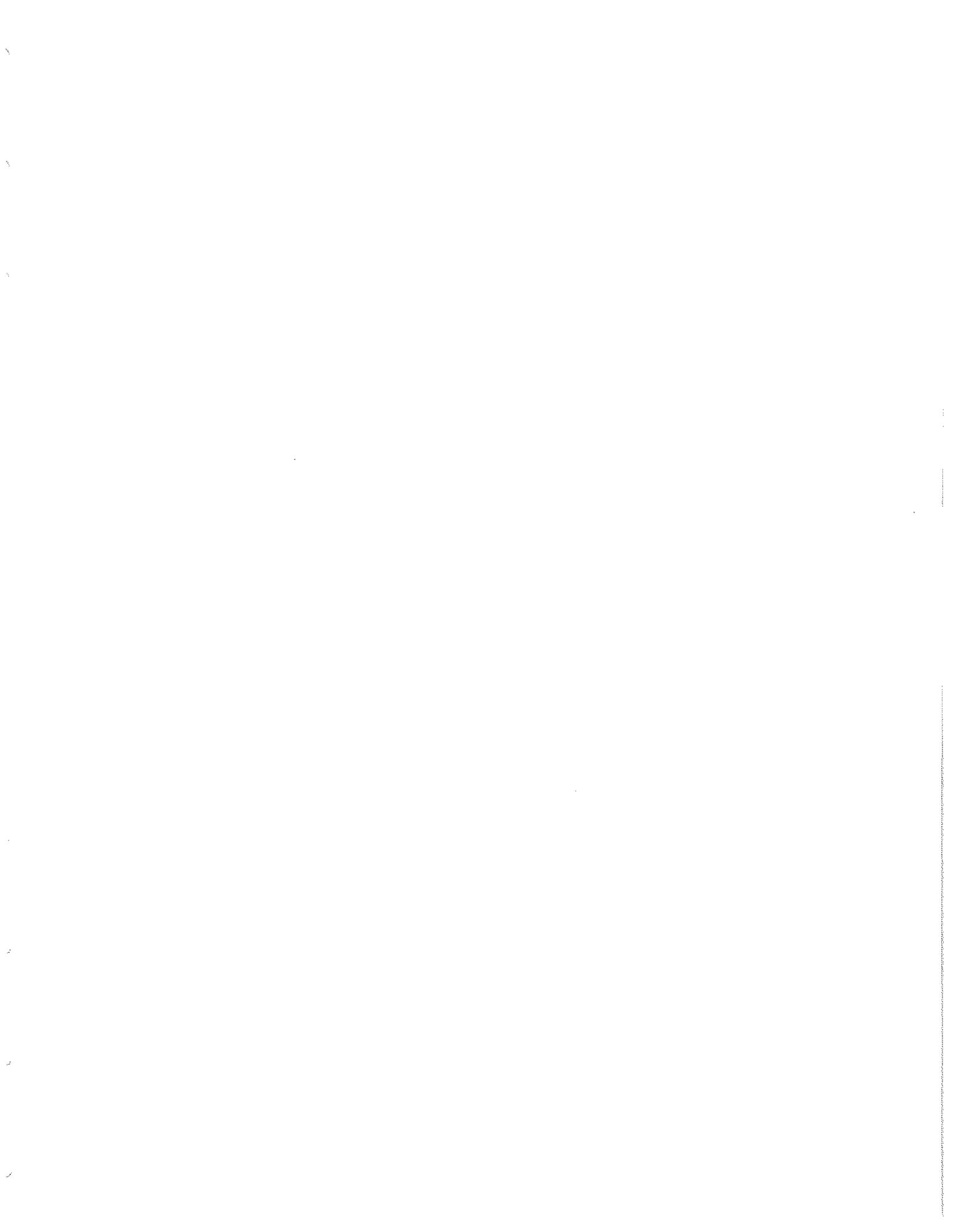
NORTH PUTNAM PUBLIC SERVICE DISTRICT

[SEAL]


Chairman


Secretary

06.21.06
847280.00004



SOUTH PUTNAM PUBLIC SERVICE DISTRICT

A RESOLUTION AUTHORIZING AND RATIFYING
THE ACQUISITION OF THE ASSETS OF NORTH
PUTNAM PUBLIC SERVICE DISTRICT, THE
ASSUMPTION AND RE-DESIGNATION OF THE
BONDS OF NORTH PUTNAM PUBLIC SERVICE
DISTRICT, THE EXPANSION OF THE BOUNDARIES
OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT
AND THE CHANGE OF THE NAME OF SOUTH
PUTNAM PUBLIC SERVICE DISTRICT TO PUTNAM
PUBLIC SERVICE DISTRICT

WHEREAS, South Putnam Public Service District (hereinafter "South Putnam") is a public service district and public corporation created by Resolution of The County Commission of Putnam County (hereinafter, the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, North Putnam Public Service District (hereinafter "North Putnam") is a public service district and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of the Act;

WHEREAS, the Public Service Board of North Putnam adopted a resolution on July 11, 2000, following a duly noticed public hearing, authorizing the transfer of the assets of North Putnam to South Putnam and the assignment of the North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated October 23, 1975, issued in the original aggregate principal amount of \$605,000, originally issued as "East Kanawha Public Service District" (the "Series 1975 Bonds") and the North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$267,000 (the "Series 1993 Bonds") to South Putnam;

WHEREAS, the County Commission adopted a resolution on July 8, 2003, approving the transfer of the assets of North Putnam to South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 5, 2003, approved the transfer of the assets of North Putnam to South Putnam and the assignment of the Series 1975 Bonds and the Series 1993 Bonds to South Putnam (collectively, the "Transfer and Assignment"), subject to the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 22, 2003, approving the dissolution of North Putnam and expanding the boundaries of South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-0536-PSWD-PC, by Final Order entered on November 5, 2003, approved the dissolution of North Putnam and the expansion of the boundaries of South Putnam, subject to the transfer of the assets of North Putnam to South Putnam as approved in Case No. 03-1042-PSWD-PC and the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 25, 2005, changing the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Commission Order entered on June 7, 2006, approved the change of the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the bondholders of the Districts;

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 1993 Bonds heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1993 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1975 Bonds heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 2002 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1979 Bonds, Series 1995 Bonds, Series 2002 A Bonds, Series 2006 A Bonds and Series 2006 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;"

WHEREAS, The County Commission of Putnam County adopted a resolution on June 27, 2006, approving and ratifying the proposed Transfer and Assumption, the dissolution of North Putnam, the expansion of the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;"

WHEREAS, the Board of North Putnam adopted a resolution on June 22, 2006, approving and ratifying the proposed Transfer and Assumption and the dissolution of North Putnam;

WHEREAS, contemporaneously with the acquisition of the assets of North Putnam by South Putnam, North Putnam desires to assign, and South Putnam desires to assume all liabilities for and obligations under the Series 1975 Bonds and the Series 1993 Bonds;

WHEREAS, contemporaneously with the assumption of the Series 1975 Bonds and the Series 1993 Bonds, South Putnam desires to re-designate the Series 1975 Bonds and the Series 1993 Bonds as sewer revenue bonds of South Putnam; and

WHEREAS, it is in the best interest of the customers of South Putnam and North Putnam to complete the proposed Transfer and Assumption, to convey all assets, rights, privileges, immunities and powers of North Putnam to South Putnam, for South Putnam to assume and re-designate the Series 1975 Bonds and the Series 1993 Bonds, for North Putnam to be dissolved, for the boundaries of South Putnam to be expanded and for

the name of South Putnam Public Service District to be changed to Putnam Public Service District.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT, PUTNAM COUNTY, WEST VIRGINIA AS FOLLOWS:

1. South Putnam does hereby authorize and ratify the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds and the re-designation of the Series 1975 Bonds and the Series 1993 Bonds as bonds of South Putnam.

2. South Putnam does hereby authorize and ratify the assumption of all liabilities, rights, responsibilities and obligations in connection with the Series 1975 Bonds and the Series 1993 Bonds, specifically including, but not limited to, those liabilities, rights, responsibilities and obligations set forth in the resolutions and loan agreements for the Series 1975 Bonds and the Series 1993 Bonds.

3. Upon the assumption of the Series 1975 Bonds by South Putnam, such bonds shall be re-designated as follows:

South Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture) (Formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1975)

4. Upon the assumption of the Series 1993 Bonds by South Putnam, such bonds shall be re-designated as follows:

South Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program) (Formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1993)

5. That, immediately following the consummation of the Transfer and Assumption as of the close of business on June 30, 2006, the boundaries of South Putnam shall be expanded and the name of South Putnam Public Service District shall be changed to "Putnam Public Service District."

6. Upon the change of the name of South Putnam to "Putnam Public Service District," all outstanding bonds of the District shall be noted with the new name of Putnam Public Service District.

7. The Chairman and Secretary of South Putnam are hereby authorized and directed to execute all documents concerning the Transfer and Assumption, specifically including, but not limited to, the assumption of the Series 1975 Bonds and the Series 1993 Bonds, and the re-designation of the Series 1975 Bonds and the Series 1993 Bonds as sewer revenue bonds of South Putnam.

8. The Chairman and Secretary of South Putnam are hereby authorized and directed to execute all documents concerning the expansion of the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District."

9. The Chairman and Secretary of South Putnam are vested with the appropriate authority to take any and all actions necessary to complete Transfer and Assumption, the expansion of boundaries and the name change of South Putnam.

10. The statutory mortgage liens of the Series 1975 Bonds and the Series 1993 Bonds is hereby assumed by South Putnam and are a valid lien against the System as of the date of assumption, on a parity with one another and with South Putnam's other first lien bonds.

11. The Transfer and Assumption of North Putnam, the expansion of South Putnam's boundaries, the name change to Putnam Public Service District and the dissolution of North Putnam shall all become effective as of the close of business on June 30, 2006.

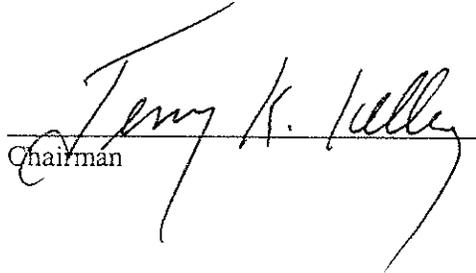
12. This Resolution shall become effective immediately upon adoption hereof.

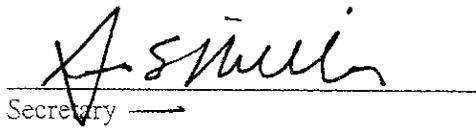
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Adopted by the Public Service Board of South Putnam Public Service District
at a meeting held on the 27th day of June, 2006.

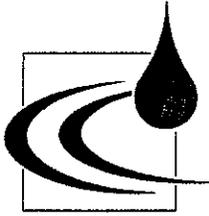
SOUTH PUTNAM PUBLIC SERVICE DISTRICT

[SEAL]


Chairman


Secretary

06.25.06
847280.00004



WEST VIRGINIA
Water Development Authority

Celebrating 32 Years of Service 1974 - 2006

June 30, 2006

Consent to Transfer of Assets and Assumption of Debt by and between North Putnam Public Service District and South Putnam Public Service District, and Change of Name of South Putnam Public Service District to Putnam Public Service District

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative for the West Virginia Water Development Authority (the "Authority"), in reliance upon the certificate of Ralph Bassett, independent certified public accountant and Steptoe & Johnson PLLC, Bond Counsel, that the coverage and acquisition requirements have been met (copies attached), the present holder of the South Putnam Public Service District's Sewer Revenue Bonds, Series 2002 B (West Virginia SRF Program), dated March 7, 2002, issued in the original aggregate principal amount of \$1,422,000 (the "Prior WDA Bonds"), and the present holder of the North Putnam Public Service District's Sewer Revenue Bonds, Series 1993 A (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$267,000 (the "Series 1993 Bonds"), hereby consents to: (i) the conveyance of all of the sewerage system assets of North Putnam Public Service District, including, but not limited to, all real property, personal property, tangible property, intangible property, rights of way, easements, judgments, licenses and permits, to South Putnam Public Service District; (ii) the assumption of the Series 1993 Bonds and the North Putnam Public Service District Sewer Revenue Bonds, Series 1975, dated October 23, 1975, issued in the original aggregate principal amount of \$605,000 and originally issued under the name "East Kanawha Public Service District" (the "Series 1975 Bonds") by South Putnam Public Service District, on a parity with the Prior WDA Bonds; (iii) the name change of South Putnam Public Service District to "Putnam Public Service District;" (iv) the re-designation of all of the above-listed bonds as "Putnam Public Service District" Bonds; and (v) the dissolution of North Putnam Public Service District.

The Authority hereby agrees that, upon their assumption and re-designation, the Putnam Public Service District Sewer Revenue Bonds, Series 1975 and Putnam Public Service District Sewer Revenue Bonds, Series 1993, shall have a first lien on the Net Revenues of the System and a statutory mortgage lien on the System, on a parity in all respects with the Prior WDA Bonds.

Authorized Representative



**United States Department of Agriculture
Rural Development
West Virginia State Office**

June 30, 2006

**Consent to Transfer of Assets and Assumption of Debt by and between
North Putnam Public Service District and South Putnam Public Service District,
and Change of Name of South Putnam Public Service District to Putnam Public Service District**

TO WHOM IT MAY CONCERN:

The undersigned STATE DIRECTOR of the United States Department of Agriculture, Rural Utilities Service, the present holder of South Putnam Public Service District's (i) Sewer Revenue Bonds, Series 1979, dated September 12, 1980, issued in the original aggregate principal amount of \$2,200,000, (ii) Sewer Revenue Bonds, Series 1995, dated May 2, 1995, issued in the original aggregate principal amount of \$1,300,000, (iii) Sewer Revenue Bonds, Series 2002 A, dated March 7, 2002, issued in the original aggregate principal amount of \$7,078,000, and (iv) Sewer Revenue Bonds Series 2006 A and Series 2006 B, dated May 12, 2006, issued in the respective principal amounts of \$4,946,000 and \$2,104,000 (collectively, the "Prior RUS Bonds"), hereby consents to: (i) the conveyance of all of the sewerage system assets of North Putnam Public Service District, including, but not limited to, all real property, personal property, tangible property, intangible property, rights of way, easements, judgments, licenses and permits, to South Putnam Public Service District, (ii) the assumption by South Putnam Public Service District of the North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (USDA), dated October 23, 1975, issued in the original aggregate principal amount of \$605,000; and the North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$267,000 and, upon such assumption, the Series 1975 and Series 1993 Bonds shall have a first lien on the revenues of the South Putnam Public Service District sewerage collection and treatment system, on a parity with the Prior RUS Bonds; and (iii) the change of the name of South Putnam Public Service District to Putnam Public Service District.

A handwritten signature in black ink, appearing to read "Robert M. Steptoe III", written over a horizontal line.

ROBERT M. STEPTOE III
State Director

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
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**United States Department of Agriculture
Rural Development
West Virginia State Office**

June 30, 2006

**RELEASE OF OBLIGATIONS OF
NORTH PUTNAM PUBLIC SERVICE DISTRICT**

TO WHOM IT MAY CONCERN:

The undersigned STATE DIRECTOR of the United States Department of Agriculture, Rural Development, the present holder of the Series 1975 Sewer Revenue Bond, dated October 23, 1975, issued in the total aggregate principal amount of \$605,000 of North Putnam Public Service District, in consideration of the assumption of payment for the Bond by the South Putnam Public Service District, Scott Depot, Putnam County, West Virginia, hereby releases the North Putnam Public Service District from its obligation to pay the principal of or interest on the Bond and any other obligations relating to the Bond and set forth in the Bond Resolution.

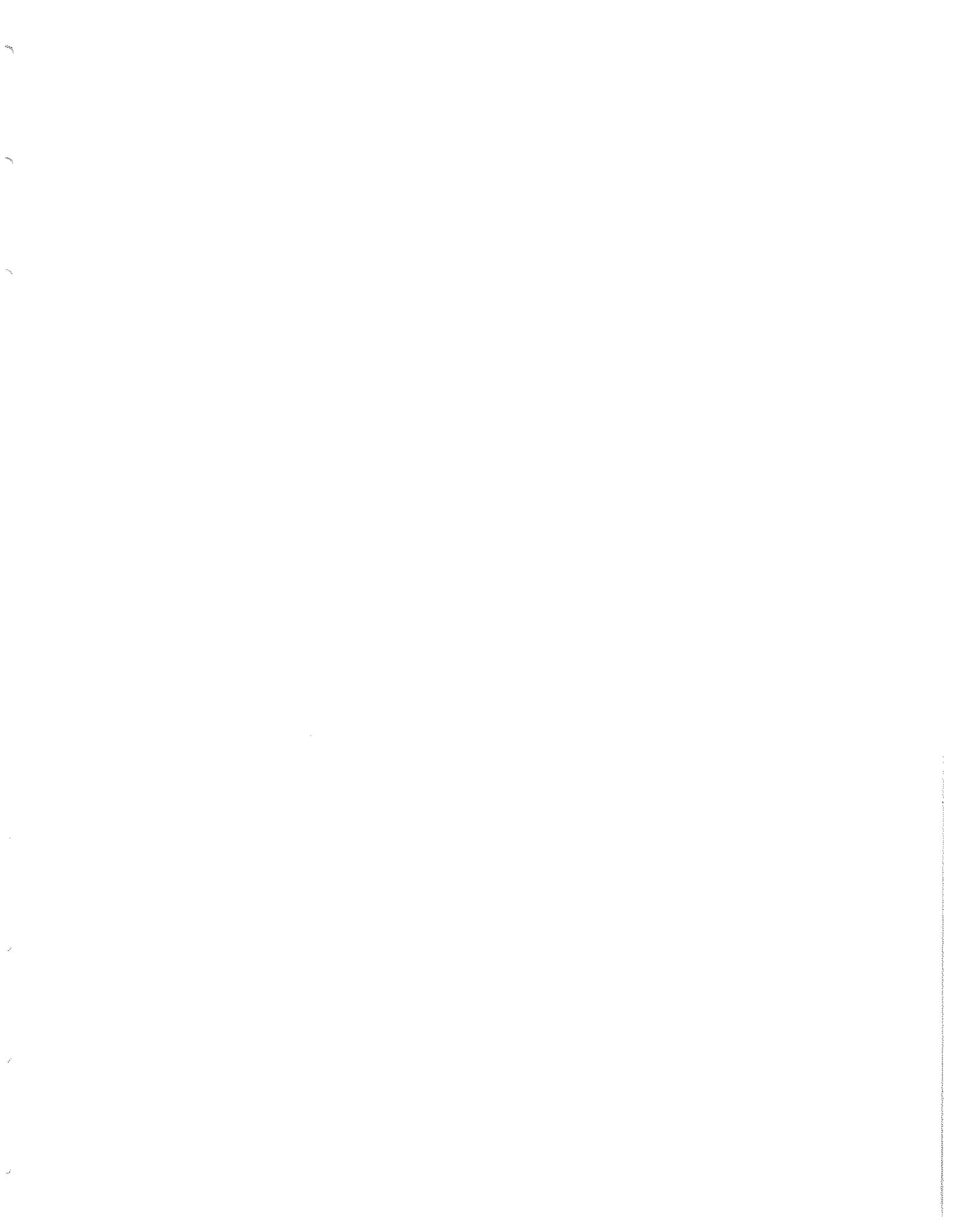
A handwritten signature in black ink, appearing to read "Robert M. Steptoe III", written over a horizontal line.

ROBERT M. STEPTOE III
State Director

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EAST KANAWHA PUBLIC SERVICE DISTRICT

\$605,000 Sewer Revenue Bonds,
Series 1975

BOND RESOLUTION

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EAST KANAWHA PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF \$605,000 SEWER REVENUE BOND, SERIES 1975, OF EAST KANAWHA PUBLIC SERVICE DISTRICT TO FINANCE PART OF THE COSTS OF CONSTRUCTION OF A SEWER SYSTEM; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING FOR FIXING AND COLLECTING RATES AND CHARGES FOR THE SERVICES OF THE SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND; MAKING CONNECTION MANDATORY; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF EAST KANAWHA PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code and other applicable provisions of law. East Kanawha Public Service District is a public service district created pursuant to said Article 13A.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) East Kanawha Public Service District (herein called the "District"), in Putnam County, State of West Virginia, does not now have any public sewer system, and the inhabitants thereof urgently require such system.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the District, and, accordingly, it is hereby ordered, that there be constructed and acquired a complete new sewer system of the District consisting of collection and _____ lines, treatment

plant and all necessary appurtenant facilities (hereinafter collectively called the "System"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (herein called the "Board") of the District.

(C) It is necessary for the District to issue its revenue bond in the principal amount of \$605,000 to finance part of the cost of such acquisition and construction in the manner hereinafter provided.

(D) The estimated maximum cost of the acquisition and construction of the Project as hereinafter defined is \$2,361,590, of which \$605,000 will be obtained from the proceeds of sale of the Bond herein authorized, \$1,538,390 from a grant to the District by Environmental Protection Agency, a grant from The County Commission of Putnam County in the amount of \$70,000, a Water Development Authority grant in the amount of \$100,000, and a grant from the said State in the amount of \$48,200.

(E) The cost of such acquisition and construction shall be deemed to include, without being limited to, the construction and acquisition of the Project; the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized by this resolution.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) There are not outstanding any unpaid obligations of the District which will have priority over or rank on a parity with the Bond authorized to be issued hereunder as to lien or source of and security for payment.

(H) The District has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition

and operation of the Project and issuance of the Bond, or will have so complied prior to issuance of the Bond including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Bond by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Resolution to Constitute Contract. In consideration of the acceptance of the Bond authorized to be issued hereunder by the Government, this resolution shall be deemed to be and shall constitute a contract between the District and the Government, and the covenants and agreements herein set forth to be performed by the District shall be for the benefit, protection and security of the Government as holder of the Bond.

Section 1.04. Definitions. The following terms shall have the following meanings in this resolution unless the text otherwise expressly requires:

"Act" means Article 13A, Chapter 16 of the West Virginia Code.

"Board" means the Public Service Board of the District, the governing body of the District under the Act.

"Bond" means the \$605,000 Sewer Revenue Bond, Series 1975, No. 1, originally authorized to be issued pursuant to this resolution.

"Chairman" means the Chairman of the Board.

"Consulting Engineer" means Appalachian
Engineering, Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the District as Consulting Engineer for the System.

"District" means East Kanawha Public Service District of Putnam County, West Virginia, and, where appropriate, also means the Public Service Board thereof.

"Facilities" or "sewer facilities" means all the facilities of the System and also any facilities which may hereafter be added to the System by any additions, betterments, extensions and improvements

thereto, and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Government" means United States Department of Agriculture, Farmers Home Administration, and any governmental successor thereof.

"Herein" means in this resolution.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the owner of the Bond.

"Net Revenues" means the balance of the gross revenues, as defined herein, remaining after deduction only of operating expenses, as defined herein.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the District relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices, and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Project" means the initial System, as described above in Section 1.02(B), to be constructed as herein provided and financed in part with the proceeds of sale of the Bond.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the District, or accrued to the District, or any department, board, agency or instrumentality thereof in

control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Board.

"System" means the complete waterworks of the District, including all sewer facilities owned by the District and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the System; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the acquisition and construction provided for herein.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 1.05. Use of Sewer Facilities Mandatory. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare and the economy of the inhabitants of the District and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the sewer facilities. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land which abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within a reasonable distance thereof, not exceeding 300 feet, and reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewage lines of such building or structure with the sewer facilities of the System within thirty days after completion of the Project if sewage will flow by gravity from such building or structure into the sewer facilities of the System, and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or

water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the sewer facilities.

Any such building or structure from which emanates sewage or water-borne waste matter and 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 District and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in the Circuit Court of said County or other court of competent jurisdiction.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this resolution, the Bond of the District, to be known as "Sewer Revenue Bond, Series 1975" is hereby authorized to be issued in the principal amount of not exceeding Six Hundred Five Thousand Dollars (\$605,000) for the purpose of financing part of the cost of the construction and acquisition of the Project.

Section 2.02. Description of Bond. The Bond shall be issued in single form, No. 1, and shall be dated on the date of delivery. The Bond shall bear interest from date, payable monthly at the rate of five per centum (5%) per annum and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled installments, or any portion thereof, at the option of the District and shall be payable as provided in the Bond form hereinafter set forth.

Section 2.03. Execution of Bond. The Bond shall be executed in the name of the District by the Chairman and the Corporate seal of the District shall be affixed thereto and attested by the Secretary.

Section 2.04. Bond Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the District may in its discretion issue and deliver a new Bond 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 the District proof of his ownership thereof and complying with such other reasonable regulations

and conditions as the District may require. The Bond so surrendered shall be canceled and held for the account of the District.

Section 2.05. Bond Secured by Pledge of Revenues. The payment of the debt service of the Bond shall be secured forthwith equally and ratably by a first lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 2.06. Form of Bond. Subject to the provisions of this resolution, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this resolution or any subsequent resolution adopted prior to the issuance thereof:

(Form of Bond)

SEWER REVENUE BOND

EAST KANAWHA PUBLIC SERVICE DISTRICT

No. 1

\$605,000

Date: _____

FOR VALUE RECEIVED, EAST KANAWHA PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Six Hundred Five Thousand Dollars (\$605,000), plus interest on the unpaid principal balance at the rate of five per centum (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first 24 months after the date hereof, and \$ 2,965, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable

by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of a sewer system (herein, with all additions, called the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia including, among others, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home

Administration and to its future regulations not inconsistent with
express provisions hereof.

EAST KANAWHA PUBLIC SERVICE DISTRICT
(Name of Borrower)

(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

(Post Office Box No. or Street
Address)

Hometown, West Virginia 25109
(City, State and Zip Code)

[CORPORATE SEAL]

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Attesting Official)

ARTICLE III

BOND PROCEEDS; REVENUES AND
APPLICATION THEREOF

Section 3.01. Bond Proceeds; Project Construction Account. All moneys received from the sale of the Bond and all moneys received under any construction loan or grant, except as may otherwise be provided in this Section, shall be deposited on receipt by the District in Bank of Buffalo, Eleanor, West Virginia, a member of Federal Deposit Insurance Corporation (FDIC) in a special account heretofore created and designated as "East Kanawha Public Service District Sewerage System Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the District solely for the purposes provided in this resolution and in accordance with the provisions of any agreements between the District and lenders providing construction financing for the Project.

Until completion of construction of the Project, the District will transfer from the Project Construction Account and transmit and pay to the National Finance Office, referred to in the Bond, such sums as shall be from time to time required to pay the monthly interest installments on the Bond as herein and in the Bond provided.

If the District shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the District may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all

ARTICLE III

BOND PROCEEDS; REVENUES AND
APPLICATION THEREOF

Section 3.01. Bond Proceeds; Project Construction Account. All moneys received from the sale of the Bond and all moneys received under any construction loan or grant, except as may otherwise be provided in this Section, shall be deposited on receipt by the District in Bank of Buffalo, Eleanor, West Virginia, a member of Federal Deposit Insurance Corporation (FDIC) in a special account heretofore created and designated as "East Kanawha Public Service District Sewerage System Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the District solely for the purposes provided in this resolution.

Until completion of construction of the Project, the District will transfer from the Project Construction Account and transmit and pay to the National Finance Office, referred to in the Bond, such sums as shall be from time to time required to pay the monthly interest installments on the Bond as herein and in the Bond provided.

If the District shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the District may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, and when all construction loans with respect to the Project have been repaid in full, including accrued interest, any balance remaining in the Project Construction Account shall first be used to refund promptly any overpayment made with respect to any Federal grant, and any moneys then remaining in the Project Construction Account shall be promptly transferred to and deposited in the Reserve Account and shall be used immediately to the extent feasible to prepay the latest maturing installments on the Bond, and any residue shall be retained in the Reserve Account.

Section 3.02. Covenants of the District as to Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account, hereinafter established, a sum sufficient to pay the entire principal of the Bond remaining unpaid together with interest accrued and to accrue thereon, the District further covenants with the holder of the Bond issued pursuant to this resolution as follows:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the District in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund (herein called the "Revenue Fund") is hereby established initially with the aforesaid Bank. The Revenue Fund shall constitute a trust fund for the purposes provided in this resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner provided in this resolution.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The District shall first each month pay from the moneys in the Revenue Fund all Current Operating Expenses.

(2) The District shall next, before the end of each month, transfer from the Revenue Fund and remit to the National Finance Office

costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall first be used to refund promptly any overpayment made with respect to any Federal grant, and any moneys then remaining in the Project Construction Account shall be promptly transferred to and deposited in the Reserve Account and shall be used immediately to the extent feasible to prepay the latest maturing installments on the Bond, and any residue shall be retained in the Reserve Account.

Section 3.02. Covenants of the District as to Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account, hereinafter established, a sum sufficient to pay the entire principal of the Bond remaining unpaid together with interest accrued and to accrue thereon, the District further covenants with the holder of the Bond issued pursuant to this resolution as follows:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the District in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund (herein called the "Revenue Fund") is hereby established initially with the aforesaid Bank. The Revenue Fund shall constitute a trust fund for the purposes provided in this resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner provided in this resolution.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The District shall first each month pay from the moneys in the Revenue Fund all Current Operating Expenses.

(2) The District shall next, before the end of each month, transfer from the Revenue Fund and remit to the National Finance Office

as designated in the Bond the amortization payment required by the Bond.

(3) The District shall next, each month, transfer from the Revenue Fund and deposit into the Reserve Account hereby established with said Bank one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Bond until the amount in the Reserve Account equals such maximum annual aggregate amount of interest and principal. After such amount has been accumulated in the Reserve Account, the District shall monthly deposit in the Reserve Account such part of the moneys remaining in the Revenue Fund, after such provision for payment of the monthly amortization installment required, as shall be needed to maintain such amount in the Reserve Account. Moneys in the Reserve Account shall be used solely to make up any deficiency in the funds available to make the required monthly amortization installment payments or for mandatory prepayment of the Bond as hereinafter provided and for no other purpose.

(4) The District shall next, each month, transfer from the Revenue Fund all moneys remaining in the Revenue Fund and not permitted to be retained therein, and deposit such moneys in the Depreciation Reserve, hereby established with the said Bank, until there has been accumulated therein the sum of \$50,000 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to restore to the Reserve Account any sum or sums transferred therefrom because of deficiency of revenues to meet monthly amortization installments. Thereafter, and provided that payments into the Reserve Account are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the District and used for extensions, replacements and improvements of the System, or any part thereof.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used to prepay

latest amortization installments on the Bond or for any lawful purpose.

Whenever the moneys in the Reserve Account shall be sufficient to prepay the remaining principal of the Bond and interest to the date of prepayment, it shall be the mandatory duty of the District, anything to the contrary in this resolution notwithstanding, to prepay the Bond at the earliest practical date and in accordance with applicable provisions hereof.

All the funds provided for in this Section shall constitute trust funds insofar as the District and the Government are concerned, but the said Bank shall not be a trustee as to such funds. Such funds shall be used only for the purposes and in the order provided herein, and until so used, the Government shall have a lien thereon for further securing payment of the Bond and the interest thereon. The moneys in excess of the sum insured by FDIC in the Revenue Fund, the Reserve Account and the Depreciation Reserve shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to place the required amount in any of the funds or accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to those which would otherwise be required to be made into the funds or accounts on the subsequent payment dates.

The District shall keep the moneys in the Reserve Account and the Depreciation Reserve invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years.

(C) Initial Deposit in Revenue Fund. Prior to issuance of the Bond, the District shall have signed agreements with at least 360 bona fide users.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account a sum sufficient to pay the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the District and the Government.

Section 4.02. Rates. The District will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than 110% of the annual debt service on the Bond and to make the payments required herein into the Reserve Account and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System will not be sold without the prior written consent of the Government so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 4.04. Issuance of Additional Parity Bonds. No additional parity Bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant to this resolution except with the prior written consent of the Government.

Section 4.05. Insurance and Bonds. The District hereby covenants and agrees that, so long as the Bond remains outstanding, it will, as an expense of operation and maintenance of the System, procure, carry

and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the District will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The District will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the District during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than \$100,000 for one person and \$300,000 for more than one person injured or killed in one accident to protect the District from claims for bodily injury and/or death, and not less than \$100,000 from claims for damage to property of others which may arise from the District's operation of the System, such insurance to be procured at the commencement of construction of the Project.

(c) Vehicular Public Liability Insurance, in the event the District owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the District is operated for the benefit of the District, with limits of not less than \$100,000 for one person and \$300,000 for more than one person injured or killed in one accident to protect the District from claims for bodily injury and/or death, and not less than \$100,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(e) Fidelity Bonds will be provided as to every member of the Board and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the District in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$10,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the District will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the District, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Government may specify, with insurance carriers or bonding companies acceptable to the Government.

Section 4.06. Statutory Mortgage. For the further protection of the holder of the Bond, 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 the delivery of the Bond.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the District contained in the Bond or in this resolution, or violation of or failure to observe any provision of any pertinent law, provided any such failure or violation, excluding that covered in (A) above in this Section, shall continue for a period of thirty days after written notice shall have been given to the District by the Government specifying such failure or violation and requiring the same to be remedied.

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Government may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Government, such court may, upon proof of such default, appoint a receiver for the affairs of the District and the System. The receiver so appointed shall administer the System on behalf of the District, shall exercise all the rights and powers of the District with respect to its System and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the District agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless

unanimously authorized and directed by the Board. Copies of each Annual Budget shall be delivered to the Government by the beginning of each fiscal year.

If for any reason the District shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the District. Each such Budget of Current Expenses shall be mailed immediately to the Government.

Section 4.10. Compensation of Board Members. The District hereby covenants and agrees that no compensation for policy direction shall be paid to the members of its Board in excess of the amount permitted by the Act. Payment of any compensation to any member of the Board for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision of this resolution.

Section 4.11. Covenant to Proceed and Complete. The District hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary of the Board on the date of adoption of this resolution, subject to permitted changes.

Section 4.12. Books and Records. The District will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System, and the

Government shall have the right at all reasonable times to inspect the System and all records, accounts and data of the District relating thereto.

The District shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Government.

Section 4.13. Maintenance of System. The District covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 4.14. No Competition. The District will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to, or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the District or within the territory served by the System.

Section 4.15. Concerning Arbitrage. It is not reasonably expected that the proceeds of sale of the Bond will be invested in such a way as to violate the operating rules in the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(d) of the Internal Revenue Code of 1954, as amended.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System shall be as follows:

AVAILABILITY OF SERVICE

Available for all domestic, commercial, institutional and industrial consumers within the District's service area.

RATES BASED UPON WATER USED PER MONTH

| | | |
|----------|----------------|--------------------------|
| First | 2,500 gallons | \$ 3.00 per 1000 gallons |
| Next | 3,000 gallons | 2.80 per 1000 gallons |
| Next | 25,000 gallons | 2.15 per 1000 gallons |
| All over | 30,500 gallons | 1.85 per 1000 gallons |

MINIMUM CHARGE

No bill shall be rendered for less than \$7.50 a month.

For users not on a public water system, a flat rate schedule shall be provided, but the minimum flat rate shall not be less than \$7.50.

DELAYED PAYMENT PENALTY

The above rates are net. On all accounts not paid in full within twenty days after date of billing, a penalty of ten per cent will be added to the net amount of the bill.

MULTIPLE OCCUPANCY

Each unit of apartment buildings and other multiple occupancy buildings shall be required to pay not less than the minimum monthly charge herein established. Motels and hotels shall pay on the basis of size of meter installed.

House trailer (mobile and immobile types) courts and parks shall have one sewer tap of adequate size and shall pay \$6.00 multiplied by the number of units at the site on the monthly billing date or the minimum charge for the master meter or meters installed, whichever is greater.

House trailers, mobile and immobile, on sites other than a park or court shall be billed as any other family or business unit.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. When such fees, rates and charges have been delinquent for thirty days, the District shall have power forthwith to foreclose the lien on the premises served in the same manner provided by the laws of the State of West Virginia for the foreclosure of mortgages on real property.

D. The District will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the District or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The District may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. No allowance or adjustment in any bill for use of the service and facilities of the System shall be made for any leakage occurring on the customer's side of any water meter.

G. The District shall not be liable to any customer for any damage resulting from bursting or breakage of any line, main, pipe, valve,

equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatsoever.

H. In case of emergency, the District shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the District.

I. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions of this resolution and the District shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide net revenues to meet its obligations hereunder, but never less than 110% of the annual amount required to amortize the principal of and interest on the Bond.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bond, or sooner, the District shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such Financing Statements in the offices of the Secretary of State of the State of West Virginia and of the Clerk of the County Commission of said County.

Section 6.02. Modification or Amendment. No material modification or amendment of this resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the prior consent in writing of the Government.

Section 6.03. Award of Bond. The Bond is hereby awarded to the Government.

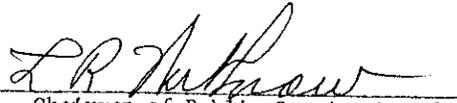
Section 6.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions of this resolution or the Bonds or coupons appertaining thereto.

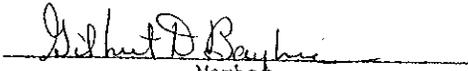
Section 6.05. Conflicting Provisions Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflicts, hereby repealed.

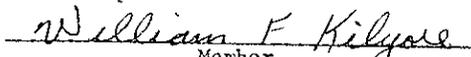
Section 6.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.07. Effective Time. This resolution shall take effect immediately upon its adoption.

Adopted October 23, 1975.


Chairman of Public Service Board


Member


Member

\$267,000 NORTH PUTNAM PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 1993 SERIES A

BOND RESOLUTION

\$267,000 NORTH PUTNAM PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 1993 SERIES A

BOND RESOLUTION

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\$267,000 NORTH PUTNAM PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 1993 SERIES A

BOND RESOLUTION

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NORTH PUTNAM PUBLIC SERVICE DISTRICT

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF NORTH PUTNAM PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE OF NOT MORE THAN \$267,000 IN AGGREGATE PRINCIPAL AMOUNT OF NORTH PUTNAM PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, 1993 SERIES A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SAID BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION RELATING TO SAID BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF NORTH PUTNAM PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.02. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended and in effect on the date of adoption of this Resolution.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, or any other agency of the State that succeeds to the functions of the Authority.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other person duly appointed as such by the Governing Body.

"Bank" means the bank to be set forth in a resolution supplemental hereto.

"Board" means the public service board of the Issuer and shall include the membership of the Board as may hereafter be duly constituted as the legal successors to the present membership or any other authority vested with and authorized to exercise the powers of the Issuer.

"Bondholders" "Holder of the Bonds," "Holder," "Registered Owner," "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 Register" means the books of the Issuer as hereinafter defined, maintained by the Bond Registrar as hereinafter defined for the registration and transfer of the Bonds.

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

"Bonds" means the Bonds originally authorized hereby, and any pari passu additional bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution.

"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.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Bonds in substantially the form set forth in the Bond Forms contained herein.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

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

"Construction Trust Fund" means the Construction Trust Fund established by Section 5.02.

"Consulting Engineers" means Woolpert Consultants, Charleston, West Virginia, or any engineer or firm of engineers of reputation for skill and experience with respect to the design and construction of sewerage systems or facilities that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.04I hereof to be a part of the cost of construction and acquisition of the Project.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the 1993 Series A Bonds, as hereinafter defined, during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"DEP" means the West Virginia Division of Environmental Protection.

"Depository Bank" means a bank eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC, as hereinafter defined, which Depository Bank shall be named in the Supplemental Resolution, and any successor thereto.

"Excess Investment Earnings" means an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Bonds are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Bonds, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

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

"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 is now or may hereafter be constituted.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the

investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior obligations and which are deemed to become proceeds of the Bonds ratably as original proceeds of the Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds [as referenced in clauses (i) through (iii) above] of the Bonds, which are held in any fund to the extent that the Issuer reasonably expects to see such other fund to pay Debt Service;

(v) Amounts in the Reserve Account and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income under Section 103 of the Code for federal income tax purposes.

"Issuer" means the North Putnam Public Service District, a public corporation and political subdivision of the State, formerly known as East Kanawha Public Service District.

"Loan Agreement" means the Water Pollution Control Revolving Fund Loan Agreement by and among the Authority, the DEP and the Issuer providing for the purchase of the Bonds from the Issuer by the Authority, the form of which is attached as Exhibit B hereto and incorporated herein by reference.

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

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System, as hereinafter defined 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 of Project, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs of Project, 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.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases shall mean the not more than \$267,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1993 A issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted hereby and authorized by a resolution supplemental hereto.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents, notices 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 7.08 hereof.

"Paying Agent" means the Commission.

"Prior Bonds" means the District's Sewer Revenue Bonds, dated October 23, 1975, issued in the original principal amount of \$605,000 and currently outstanding in the principal amount of \$487,488.07.

"Prior Resolution" means the resolution passed by the Board of the Issuer on October 23, 1975 as thereafter amended or supplemented with respect to the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Program" shall mean the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by the DEP.

"Project" shall mean the wastewater treatment facility project described in Exhibit A attached hereto, constituting extensions, additions, betterments and improvements to the existing combined waterworks and sewerage system of the Town.

"PSC" means the Public Service Commission of West Virginia and any successors to the functions thereof.

"PSC Order" means the recommended decision of the PSC in Case No. 91-721-PSD-CN which was entered by the Administrative Law Judge on June 22, 1992, and which with certain amendments was issued as the final Commission order on July 12, 1992.

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

(a) Government Obligations;

(b) 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; the Governmental National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(c) Any bond, debenture, note, participation certificate or other similar obligation 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;

(d) 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, shall be secured by a pledge of Government Obligations, provided, that such Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time account or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time account;

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

(f) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (d) 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 paid repurchase agreements, and provided further that the owner 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;

(g) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Board of Investments pursuant to Article 6, Chapter 12 of the Code of West Virginia, 1931, as amended; and

(h) Advance-Refunded Municipal Bonds.

"Rebate Fund" means the fund created pursuant to Section 8.02 hereof.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01.

"Reserve Account" means the account in the Sinking Fund, as hereafter defined, created by Section 5.02(1)(a) hereof.

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

"Resolution" shall mean the Prior Resolution, as supplemented by this Resolution and as further amended or supplemented. Unless the context clearly requires a different meaning, reference to "this Resolution" in the Prior Resolution shall mean the Prior Resolution.

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

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

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

"Sinking Fund" means the Sinking Fund established by Section 5.02(1) hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution 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 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including but not limited to the Renewal and Replacement Fund, the Reserve Account and Sinking Fund, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Issuer, and any improvements or extensions thereof, the wastewater treatment facility, hereafter acquired or constructed for said sewerage system from any sources whatsoever, both within and without said Issuer.

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

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Bonds, produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

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

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

Section 1.03. Resolution Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution 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 benefit, protection and security of the Registered Owners of any and all such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Findings. It is hereby found, determined and declared as follows:

A. The Issuer is a public corporation and political subdivision of the State in Putnam County, West Virginia.

B. The Issuer presently owns and operates a sewage treatment plant or plants and some or all of collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations, ejector stations and all other appurtenances, extensions, additions and improvements necessary, appropriate, useful, convenient or incidental for the collection, treatment and disposal in a sanitary manner of sewage and industrial wastes (herein referred to as the "System").

C. The acquisition and construction of the System was financed with the proceeds from \$605,000 in principal amount of the Issuer's Sewer Revenue Bonds dated October 23, 1975, authorized pursuant to the Prior Resolution.

D. The Prior Bonds of the Issuer are currently Outstanding in the principal amount of \$487,488.07.

E. The Issuer derives revenues from the System, and, except for the pledges thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

F. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain improvements and extensions to the existing System of the District, consisting of the Project, at an estimated cost of \$271,900, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer, and which Project is generally described in Exhibit A attached hereto and by this reference made a part hereof and has an estimated useful life in excess of twenty (20) years.

G. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Bonds and all sinking fund, reserve account and other payments provided for herein, in the Supplemental Resolution and in the PSC

Order, and the principal of and interest on and debt service requirements for the Prior Bonds.

H. The estimated maximum cost of the construction and acquisition of the Project is \$271,900, of which \$267,000 will be permanently obtained from the Bonds herein authorized and \$4,900 from a grant from DEP. The District may obtain such grants and contributions from other sources as may be necessary to pay Costs.

I. It is deemed necessary for the Issuer to issue its revenue bonds in the total aggregate principal amount of not more than \$267,000 to permanently finance a portion of the cost 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 on the Original Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering, fiscal agents and legal expenses; expenses for estimates of cost and revenue; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, any fees or expenses of the Authority or DEP and any defaulted interest thereon, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Original Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the 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 Original Bonds or the repayment of the indebtedness incurred by the Issuer for such purposes shall be deemed part of the Cost of the Project.

J. The period of usefulness of the System after completion of the Project is not less than 20 years.

K. It is in the best interests of the Issuer that the Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement. The Issuer has received written consent from the owner of the Prior Bonds, to issue the Bonds on a parity with the lien of the Prior Bonds.

L. The Issuer has received a certificate from an independent certified public accountant that it meets the parity test established in the Prior Resolution. The Original Bonds shall be issued with a lien on the Net Revenues on a parity with the lien held by the registered owners of the Prior Bonds.

M. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the construction, acquisition and operation of the Project and the System and the issuance of the Bonds, or will have so complied prior to issuance of any Bonds, including, among other things and without limitation, the obtaining of the PSC Order, the time for rehearing and appeal of which expired.

N. The Issuer will not permit, at any time, any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

O. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

P. The Bonds will not be federally guaranteed within the meaning of the Code.

Q. It is reasonably anticipated that all proceeds of the Original Bonds will be spent within two years from the date of issuance.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the acquisition and construction of the Project in accordance with plans and specifications therefor prepared by the Consulting Engineers.

The Issuer has received bids or entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program.

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 paying the costs, not otherwise provided, of the construction and acquisition of the Project, funding a reserve account for the Bonds, and paying certain costs of issuance and related costs, or any of such purposes as shall be specified in the Supplemental

Resolution, there shall be issued negotiable bonds of the Issuer in an aggregate principal amount of not more than \$267,000. Said Bonds shall be issued as one bond to be designated "North Putnam Public Service District Sewer Revenue Bonds, 1993 Series A". The Original Bonds shall be dated as of the date of delivery thereof, shall bear such interest, shall mature at such times, not exceeding twenty-one (21) years after the date of issuance, and in such amount as shall be set out in Schedule X to the Loan Agreement and the Supplemental Resolution. The Original Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Original Bonds shall be as set forth on Schedule Y to the Loan Agreement. The Original Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Resolution and the Loan Agreement and as the Governing Board of the Issuer shall prescribe by resolution (or by supplemental or amendatory Resolution of said Governing Board as said Governing Board shall determine) adopted in connection with the sale of such Original Bonds.

The Bonds shall be payable as to principal at the principal office of the Paying Agent in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, provided, that so long as the Authority is the owner thereof, interest on the Original Bonds may be paid by wire transfer or other methods satisfactory to the Issuer, the Paying Agent and the Authority.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a payment record attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Loan Agreement and said Supplemental Resolution. Bonds shall be exchangeable at the option and expense of the Bondholder for other fully registered Bonds in aggregate principal amount equal to the amount of said Bonds then Outstanding, 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 may be issued in fully registered form, in the denomination of \$5,000 or any integral

multiple thereof, all as determined by a Supplemental Resolution. Said Bonds shall be dated as of the date specified in said Supplemental Resolution and shall bear interest from such date.

Section 3.02. [Reserved]

Section 3.03. Additional Terms of Bonds. In addition to the terms set forth in Section 3.01 hereof and in anticipation of the sale of the Bonds to the Authority, the District covenants that the Bonds shall comply in all respects with the provisions of the Loan Agreement and of any resolution of the Authority and/or DEP.

Section 3.04. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.05. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.06. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of

negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

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

Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute

Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Bonds issued hereunder.

Section 3.08. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Reserve Account. No Holder or Holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Bonds or the interest thereon.

Section 3.09. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all the Original Bonds shall be secured forthwith equally and ratably with each other and the Prior Bonds 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 on and other payments for the Bonds and the Prior Bonds and to make the payments into the sinking funds and the reserve accounts therein and in the Renewal and Replacement Fund hereinafter established and as established in the Prior Resolution, are hereby irrevocably pledged to the payment of the principal of and any interest on the Bonds and the Prior Bonds as the same become due.

Section 3.10. Form of Original Bonds. The text of the Original 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.

[This space intentionally left blank]

[Form of 1993 Series A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTH PUTNAM PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, 1993 SERIES A

No. AR_____

\$267,000

KNOW ALL MEN BY THESE PRESENTS: That NORTH PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Putnam 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 Two Hundred Sixty-Seven Thousand Dollars (\$267,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning _____ 1, 1993, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B.

Interest on such advances on this Bond shall be zero (0%) percent. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, 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 Paying Agent. The interest on this Bond is payable by check or draft mailed to the Payee at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and DEP and only upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated February 16, 1993, among the Authority, the DEP and the Issuer.

This Bond is issued (i) to pay costs of acquisition and construction of a wastewater treatment facility constituting improvements, additions, extensions and betterments to the existing system of the Issuer (the "Project"), and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), a Resolution duly enacted by the Issuer on the 16th day of March, 1993, and a Supplemental Resolution adopted by the Issuer on the 16th day of March, 1993 (collectively called the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution.

This Bond ranks equally as to lien and security with the Prior Bonds, as defined in the Resolution.

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues as defined in the Resolution, on a parity with the lien of the Prior Bonds, to be derived from the operation of the System, moneys in the Reserve Account created under the Resolution and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with or prior to the Bonds, payable from such revenues, provided however, that so long as there exists in the Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds on a parity therewith in any succeeding fiscal year and in the reserve account for the Prior Bonds, an amount 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 Resolution. Remedies provided the registered owners of the Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its attorney duly authorized in writing.

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

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

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

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

IN WITNESS WHEREOF, NORTH PUTNAM 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 March 30, 1993.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the 1993 Series A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: March 30, 1993

as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

| Amount | Date | Amount | Date |
|--------|------|---------|------|
| (1) \$ | | (7) \$ | |
| (2) \$ | | (8) \$ | |
| (3) \$ | | (9) \$ | |
| (4) \$ | | (10) \$ | |
| (5) \$ | | (11) \$ | |
| (6) \$ | | (12) \$ | |

Total \$ _____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Form of Assignment

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Original Bonds; Ratification and Execution of Loan Agreement with Authority and DEP. The Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved.

Section 3.12. Original Bonds are Issued as Parity Bonds. The Original Bonds are issued as and shall constitute Parity Bonds in accordance with the Prior Resolution. Prior to the issuance of the Original Bonds, the Issuer must receive the written approval of the owner of the Prior Bonds.

Section 3.13. Certificate of Consulting Engineers. Prior to the issuance of the Original Bonds, the Issuer must obtain the certificate of the Consulting Engineers in the form attached to the Loan Agreement to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the DEP and the Authority, the Project is adequate for the purposes for which it was designed, and the funding plan as submitted to the DEP and the Authority is sufficient to pay the costs of acquisition and construction of the Project.

ARTICLE IV

[Reserved]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts were either established by the Prior Resolution or are created hereby and shall be held by the Depository Bank:

- (1) Revenue Fund (when the Prior Bonds are no longer Outstanding);
- (2) Operation and Maintenance Fund (when the Prior Bonds are no longer Outstanding);
- (3) Renewal and Replacement Fund;

- (4) Bond Construction Trust Fund; and
- (5) Rebate Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

- (1) Sinking Fund;
 - (a) Within the Sinking Fund, the Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. As long as the Prior Bonds are outstanding, the entire Gross Revenues shall be deposited pursuant to the terms of the Prior Resolution. When the Prior Bonds are no longer Outstanding, the entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution 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 therein and herein provided.

(1) The Issuer shall, each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay current Operating Expenses of the System.

(2) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and pay the amounts required by the Prior Resolution to be deposited in the Prior Bonds Sinking Fund for payment of the principal of and interest on the Prior Bonds, and (i) simultaneously therewith, commencing 4 months prior to the first date of payment of interest on the Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Bonds Sinking Fund, a sum equal to 1/3rd of the amount of interest which will become due on said Bonds on the next ensuing quarterly interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly interest payment date, the required amount of interest coming due on such date, and (ii) on the first day of each month, commencing 4 months prior to the first date of payment of principal on the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on said 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 Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

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

(3) The Issuer shall next transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Resolution to be deposited in the Prior Bonds Reserve Account and on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Bonds, if not fully funded upon issuance of the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Reserve Account, an amount equal to 1/120 of the Reserve Requirement; provided, that no further payments shall be made into the Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Reserve Requirement.

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

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of or interest on the Bonds, as the same shall come due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. Except for the funds required to be deposited in the Rebate Fund, all investment earnings on moneys in

the Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Project and thereafter, to the Sinking Fund.

Any withdrawals from the Reserve Account which result in a reduction in the balance of the Reserve Account to an amount below the Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Sinking Fund for payment of debt service on the Bonds have been made in full.

B. As and when additional Bonds ranking on a parity with the Original Bonds are issued, provision shall be made for additional payments into the Sinking Fund sufficient to pay any interest on such additional Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account in an amount equal to the Reserve Requirement.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

Moneys in the Reserve Account shall be invested and reinvested by the Commission in accordance with Article VIII hereof.

The Sinking Fund, including the Reserve Account therein, shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Bonds and any additional Bonds ranking on a parity with them that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Fund, including the Reserve Account therein, and the Renewal and Replacement Fund during the following month or such longer period as shall be required by the Act, such excess shall be considered as surplus

revenues (the "Surplus Revenue"). Surplus Revenues may be used for any lawful purpose of the Issuer.

D. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank, on such dates as the Commission or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any Depository Bank's charges then due. The Issuer shall also remit from the Revenue Fund to the Authority, on such dates as the Authority and the DEP shall require, the Issuer's allocable share of reasonable administrative expenses of the Authority relating to the Program, if any.

E. The moneys in excess of the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the 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.

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

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

Section 5.04. Excess Bond Proceeds. The Issuer shall place any excess proceeds from the Original Bonds not required by the Project in the Reserve Account.

ARTICLE VI

APPLICATION OF ORIGINAL BOND PROCEEDS, FUNDS AND ACCOUNTS

Section 6.01. Application of Original Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. The amount of the proceeds which together with the earnings thereon shall be at least sufficient to pay interest on the Original Bonds for the period specified in the Supplemental

Resolution shall be deposited in the Sinking Fund; provided, that such period may not extend beyond the date which is six months after the estimated date of completion of construction of the Project.

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

C. The remaining moneys derived from the sale of the Original Bonds shall be deposited by the Issuer as received from time to time in the Bond Construction Trust Fund hereinafter established.

D. There is hereby created and established with the Depository Bank a special fund, designated the "Bond Construction Trust Fund". The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in this Resolution. Except with respect to any transfers to the Rebate Fund, moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Bonds.

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

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) A "Payment Requisition Form," attached to the Loan Agreement as Exhibit C, and

(2) A certificate, signed by the Chairman and the Consulting Engineers, stating:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursements theretofore made;

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

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions set forth in the Prior Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any owner or owners of the Bonds as if they were set forth in full in this Resolution. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the owners of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, or the interest thereon, is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The 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 Resolution. No Holder or Holders of any Bonds shall ever have the right to compel

the exercise of the taxing power, if any, of the Issuer to pay said Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues.

The payment of the debt service of the Original Bonds issued hereunder shall be secured forthwith equally and ratably with the Prior Bonds by a first lien on the Net Revenues derived from the operation of the System. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized and to make the payments into the respective Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Resolution and the Prior Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the Prior Bonds as the same become due, and for the other purposes provided in the Resolution.

Section 7.04. Rates.

Prior to issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder and under the Prior Resolutions. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. The Issuer shall take the necessary actions with respect to the imposition of rates at such times and with such provisions with respect to interest rate and maturity of the Bonds to finance the issuance of the Bonds as the purchaser thereof shall require. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Prior Bonds and the Bonds; provided that, in the event that an amount at least equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account and the reserve account for the Prior Bonds is funded at least at the requirement provided for in the Prior Resolutions, respectively, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Original Bonds and the Prior Bonds.

Section 7.05. Completion, Operation and Maintenance; Schedule of Cost. The Issuer will expeditiously complete the Project and will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in the Resolution.

Upon completion of the Project, the Issuer shall file with the Authority a schedule in substantially the form of Amended Schedule A to the Program loan application, setting forth the actual costs of the Project and sources of funds therefor.

Section 7.06. Sale of the System. Except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully or redeem at or prior to maturity all the Prior Bonds and the Bonds Outstanding, or to effectively defease this Resolution in accordance with Sections 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the appropriate Sinking Funds, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds about to mature and to the redemption prior to maturity at the earliest date permitted hereby and at the redemption price, of all other Outstanding Bonds. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions

of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall, upon receipt of approval of the Registered Owners, if needed, be remitted by the Issuer to the Commission for deposit in the appropriate Sinking Fund and shall be applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price, or, if not redeemable, par, or otherwise in the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution.

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 or redeem prior to maturity all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66 2/3%) in amount of the Prior Bonds and the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Prior Bonds and the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. So long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.08 hereof. All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and prior, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds; provided, that no such prior obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such prior obligations have been made and are current.

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

Section 7.08. Parity Bonds. A. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Amendatory Resolution, except under the conditions and in the manner herein provided.

No Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the entirety of one or more issues or series of bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Secretary a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (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 three (3) succeeding years after the completion of the improvements to be financed by such additional Parity Bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

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

The "estimated average increased annual net revenues to be received in each of the three (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 any increase in rates enacted by the Issuer, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which

shall be filed in the office of the Secretary prior to the issuance of such additional Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Accountants as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements to the System which are to be financed by such Parity Bonds.

All the covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the owners of the Original Bonds and the owners of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance shall rank equally with respect to their respective liens on the revenues of the System, and their respective sources 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 created in this Amendatory Resolution required for and on account of such additional Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Amendatory Resolution.

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

No Parity Bonds shall be issued at any time, however, unless all the payments into the respective funds and accounts provided for in this Amendatory Resolution and the Prior Resolution on account of the Prior Bonds and the Bonds then

Outstanding, and any other payments provided for in this Amendatory Resolution or the Prior Resolution, shall have been made in full as required to the date of delivery of the Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Amendatory Resolution.

B. Notwithstanding the foregoing, the Issuer may issue Parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any issues or series of the Bonds, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

With the written consent in advance of the Authority and anything to the contrary in this Section 7.08 notwithstanding, Parity Bonds may be authorized and issued by the Issuer pursuant to Supplemental Resolution solely to complete the Project as described in the Issuer's Program application to the Authority and DEP in accordance with the plans and specifications, in the event that the Original Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the Project; provided, however, that, prior to the issuance of such Parity Bonds under the provisions of this paragraph, the Consulting Engineers shall file with the Secretary a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project, and the maturities of any such Parity Bonds shall be in years and amounts suggested by the Authority.

Section 7.09. Insurance and Construction Bonds. The Issuer will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The Issuer will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and the DEP, so long as the Authority is the Owner of the Bonds. The Issuer will itself, or will require each contractor and subcontractor to, obtain and 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, to protect the interests of the

Issuer, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Resolution and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry such other insurance as is required by the Authority and DEP and as set forth in the Loan Agreement, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer.

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.

Section 7.10. Consulting Engineers. The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers. Such resident engineer shall certify to the Authority, the DEP and the Issuer at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a Performance Certificate, the form of which is attached as Exhibit A to the Loan Agreement, and is incorporated herein by reference, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer agrees that it will at all times provide operation and

maintenance of the System to comply with any and all State and federal standards. The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

Section 7.11. Compliance With Loan Agreement, Rules and Regulations. The Issuer hereby covenants and agrees to perform and satisfy all terms and conditions of the Loan Agreement and to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

Section 7.12. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its System; and, in the event the Issuer or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or himself or herself 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. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. 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 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rates, 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, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services or facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The

Issuer further covenants and agrees that it will, to the full extent permitted by law, and any rules and regulations promulgated by the Public Service Commission of West Virginia applicable thereto, discontinue and shut off both the water and sewerage services and facilities of the System to all delinquent users of the services and facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, and will not restore either water or sewerage services of the System until all delinquent charges for the service and facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 7.14. No Competing Franchise. To the extent allowable by law, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.15. Books, Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, 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 DEP 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 Agreement or Grant Receipts or other sources of financing for the Project.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any owner of a Bond or Bonds issued pursuant to the Resolution 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 currently accepted accounting practices in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with 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 Council shall direct.

The Issuer shall file with the Consulting Engineers and the Authority and DEP, and shall mail in each year to any owner or owners of Bonds requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues, Excess 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 Resolution with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Prior Bonds, Bonds, or other obligations Outstanding and secured by a lien on the Net Revenues of the System.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any owner or owners of Bonds issued pursuant to this Resolution, and shall submit said report to the Authority and the DEP. The report of said audit shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and the Loan Agreement and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service requirements.

The Issuer shall, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, each month complete a Monthly Financial Report, the form of which is attached to the Loan Agreement as Exhibit B and is incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and the DEP.

The Issuer shall, during construction of the Project, complete Payment Requisition Forms, the form of which is attached to the Loan Agreement as Exhibit C and is incorporated herein by reference, and forward a copy to the DEP in compliance with the Issuer's construction schedule.

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

The Issuer shall permit the Authority or the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction of the Project, the Issuer shall also provide the Authority and the DEP, 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 DEP with respect to the System pursuant to the Act.

Section 7.16. Operating Budget. 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 DEP within thirty days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Section 7.17. Mandatory Connection. The mandatory use of the sewerage facilities portion of the System is essential and necessary to protect and preserve the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and 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 sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matter 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 sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the sewerage facilities portion 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 sewerage facilities portion of 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 7.18. Compliance with Loan Agreement. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PUBLIC PURPOSE BONDS. The Issuer shall use the Bond proceeds solely for the Project and as otherwise set forth herein, and the Project will be solely operated as a public purpose and as local governmental activity of the Issuer.

B. PRIVATE ACTIVITY BOND COVENANT. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from

the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

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

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

E. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax exempt status of the Bonds, including without limitation the information return required under Section 149(e) of the Code.

F. TWO YEAR CONSTRUCTION ELECTION. The Issuer will expend the gross proceeds of the Bonds for the Project no later than the day which is two years after the date of issuance of the Bonds. The Issuer will expend the net proceeds (including, without limitation, investment proceeds earned before the close of the period involved on the investment of the proceeds of the Bonds) of the Bonds for the Project within the following periods beginning on the date of issuance of the Bonds:

Not less than 10 percent within 6 months;

Not less than 45 percent within 1 year;

Not less than 75 percent within 18 months; and

Not less than 100 percent within 2 years;

(except for a reasonable retainage not exceeding 5% of the net proceeds of the Bonds which will be spent within 3 years). The Issuer hereby elects the application of Section 148(f)(4)(B)(iv)(V) of the Code to the Bonds and has agreed to pay a penalty with respect to the close of each 6-month period after the date the Bonds are issued equal to 1-1/2 percent of the amount of the net proceeds of the Bonds which, as of the close of such period, are not spent as set forth in this paragraph. At least 75% of the net proceeds of the Bonds are to be used for construction expenditures with respect to property owned by the Issuer, and the Project will be owned by the Issuer.

G. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludible from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Bondholders, 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 on a parity with the lien of the Prior Bonds, and shall take effect immediately upon delivery of the Bonds and shall be for the benefit of all Owners of the Bonds.

Section 7.21. Compliance. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP 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.

ARTICLE VIII

INVESTMENT OF FUNDS; NON-ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Resolution, 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 direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01 and in Sections 8.02 and 8.03.

Except as specifically provided herein, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank or such other bank or national banking association, as the case may be, shall sell and reduce to cash a

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

Section 8.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return) with respect to the Bonds so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Rebate of Excess Investment Earnings to the United States. A. CREATION OF FUNDS. There are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Resolution, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Resolution on account of the Bonds other than (i) interest earnings and profits on any funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than \$100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on or before the 30th day following the end of each Bond Year or on the preceding business day in the event that such last day is not a business day, or such earlier date as may be required under the Code or the Loan Agreement, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to the Construction Trust Fund until completion of the Project, and thereafter to the Revenue Fund.

B. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection C and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsections D and E.

C. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 15 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 15 days following the last day of each Bond Year and within 15 days following the date of the retirement of the Bonds, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

(1) Except as provided in (2), in determining the amount described in clause (A)(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

(2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the

disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Bonds shall be determined based on the actual Yield of the Bonds during the period between the Closing Date for the Bonds and the date the computation is made (with adjustments for original issue discount or premium).

(4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bonds, and no amount may be treated as "negative arbitrage."

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual Debt Service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than \$100,000.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period. Not later than 60 days after the retirement of the Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment required by the preceding sentence, the

Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required by this Subsection D, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Original Bonds from gross income for federal income tax purposes.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and the Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

F. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of 6 years following the retirement of the Bonds, records of the determinations made pursuant to this Section 8.03.

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further covenants to comply with all Regulations from time to time in effect and applicable to the Bonds, as may be

necessary in order to fully comply with Section 148(f) of the Code.

I. REPORTING TO AUTHORITY. The Issuer shall furnish to the Authority and DEP, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority or DEP.

J. AMENDMENTS TO THIS SECTION. Notwithstanding any of the provisions herein to the contrary, the Issuer agrees to amend the provisions of this Section from time to time at the direction of the Authority in order to insure continuing compliance with Section 8.02 hereof.

Section 8.04. Restriction of Yield and Bond Proceeds. The Issuer shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

(4) An "Event of Default" as defined in the Prior Resolution.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his 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 this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including 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 default in the payment of interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds, either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in the Resolution other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the Issuer of such default, any Bondholder shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and any interest thereon, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of the Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his 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 Resolution 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 Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, 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. The provisions of this section shall be subject to the Prior Resolution and to the parity rights of the Prior Bonds.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the

Registered Owners of the Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due, the principal installments of and interest on the Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution.

No material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of sixty-six and two-thirds percent (66 2/3%) or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity

of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the revenues of the System without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Resolution 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 excludibility of interest on the Bonds and the Notes from the gross income of the Holders thereof.

Section 11.02. Resolution Constitutes Contract. The provisions of the Resolution 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 Resolution shall be made in any manner, except as in this Resolution 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 and the 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. All orders or resolutions and parts thereof in conflict with the provisions of this Resolution, except the Prior 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.

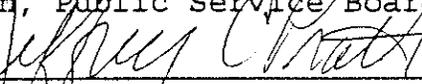
Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 16th day of March, 1993.

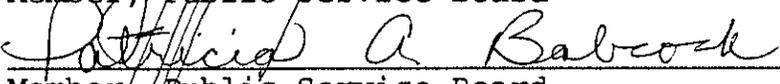
NORTH PUTNAM PUBLIC SERVICE DISTRICT



Chairman, Public Service Board



Member, Public Service Board



Member, Public Service Board

CERTIFICATION

Certified as a true copy of a Resolution adopted by the Public Service Board of North Putnam Public Service District on the 16th day of March, 1993.

Dated: March 30, 1993.

[SEAL]

Patricia A. Balcomb
Secretary, Public Service Board

EXHIBIT A

DESCRIPTION OF PROJECT

Renovation of three pumping stations, construction of a sludge drying bed cover, installation of a self-cleaning bar screen, chlorinator clarifier drives, froth control unit, washwater pump, emergency generator, lab heating system, flow monitor and other items incidental to construction.

EXHIBIT B

SRF-LP-1
(August 1992)

LOAN AGREEMENT

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

North Putnam Public Service District

(Local Government)

W I T N E S S E T H:

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

WHEREAS, pursuant to the provisions of Chapter 20, Article 5I, of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards and DEP has been awarded capitalization grants to partially fund the Program;

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by

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

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

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

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

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

1.7 "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.

1.8 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.9 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

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

1.11 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

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

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The Local Government shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

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

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

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

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local

Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

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

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

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions established by federal and state regulations as set forth in Exhibit E hereto at such times as are set forth in Exhibit E.

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the net revenues from the System;

(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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

(iv) That, except as otherwise required by State law or the Regulations, the System may be sold, mortgaged, leased or otherwise disposed of as a whole or substantially as a whole provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the local bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

prospective users of the System shall be required to connect thereto;

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

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

(xvi) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the West Virginia Municipal Bond Commission (the "Commission") its required interest, principal and reserve fund payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check to the Authority by the 5th day of such calendar month;

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is

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

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

ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in the Local Act and in compliance with the provisions of Subsection 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 minimum sums set forth in the Local Act, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to Section 4.2 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

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

Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of

Attest:

Date: February 16, 1993

Stephen A. Babcock
Its Secretary

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Kendall E. Emery
Its: Chief

Date: February 16, 1993

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yankosky
Its: Director

Date: February 16, 1993

Attest:

Barbara B. Meadows
Secretary-Treasurer

APPROVED AS TO FORM PRIOR TO ACKNOWLEDGEMENT THEREOF, THIS 25th day of August, 1992.

BY: Dawn E. Wayfield
Attorney General
DEPUTY ATTORNEY GENERAL

EXHIBIT A

Certificate of Performance
for
Publicly Owned Treatment Works

I. As required by the Clean Water Act under Title VI, Section 602(b)(6), and the Loan Agreement, the Local Government does hereby certify that it has :

a. Provided to the WV DEP written notification of the actual date of initiation of operation. This date of initiation was on the _____ day of _____, 19____.

b. Utilized the services of _____,
our prime engineer who either:

_____ Supervised our project construction; and/or

_____ Provided architectural and engineering services during construction.

For a period of twelve (12) months following the initiation of operations, the prime engineer provided the following services:

- 1) Directed project operation and maintenance; and
- 2) Trained operating personnel and prepared the required curricula and training materials, and revised the operation and maintenance manual(s); and
- 3) Advised the Local Government on the status of the project meeting performance standards.

II. The Local Government, having access to and control of all the necessary data, and having monitored the construction of this project, hereby certifies that the project built under this Loan Agreement meets:

- a. The specifications for which the project was planned, designed, and built.
- b. The effluent limitations contained in its NPDES permit, if applicable.

Local Government Name

Local Government Representative's Name and Title

Date

EXHIBIT B

[Form of Monthly Financial Report]

[Name of Local Government]

[Name of Bond Issue]

Fiscal Year - _____

Report Month: _____

| | <u>CURRENT</u> | <u>YEAR TO</u> | <u>BUDGET YEAR</u> | <u>DIFFERENCE</u> |
|---|----------------|----------------|--------------------|-------------------|
| <u>ITEM</u> | <u>MONTH</u> | <u>DATE</u> | <u>TO DATE</u> | |
| 1. Gross Revenues Collected | | | | |
| 2. Operation and Maintenance Expense | | | | |
| 3. Other Bond Debt Payments (including Reserve Fund deposits) | | | | |
| 4. SRF Bond Payments (include Reserve Fund deposits) | | | | |
| 5. Renewal and Replacement Fund Deposit | | | | |
| 6. Funds available for capital construction | | | | |

Witnesseth my signature this _____ day of _____, 19__.

[Name of Local Government]

By: _____
Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(TO BE PROVIDED BY DEP FOR EACH PROJECT)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19____, effective _____, 19____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated _____, 19____.

1. The Bonds are being issued for the purpose of _____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions

EXHIBIT E

[Special Conditions]

[TO BE PROVIDED BY DEP FOR EACH PROJECT]

NONE

EXHIBIT F

[Monthly Payment Form]

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Re: [Name of bond issue]

Dear Sirs:

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

Sinking Fund:

Interest \$_____

Principal \$_____

Total: \$_____

Reserve Fund: \$_____

Witness my signature this ____ day of _____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Government and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of \$_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable _____ 1, _____ 1, _____ 1, and _____ 1 of each year, beginning _____ 1, 19__, at the respective rate or rates and with principal payable in installments on _____ 1 in each of the years, all as follows:

| <u>Year</u> | <u>Installment</u> | <u>Interest Rate</u> |
|-------------|--------------------|----------------------|
|-------------|--------------------|----------------------|

The Local Bonds are issued for the purpose of _____
_____ and 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 enacted by the Local Government on _____ (the "Local

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF BONDS

| | |
|---------------------------|------------|
| Principal Amount of Bonds | \$ 267,000 |
| Purchase Price of Bonds | \$ 267,000 |

Interest on the Bonds shall be zero percent from the date of delivery to and including August 31, 1993. Principal ~~and interest~~ on the Bonds is payable quarterly, commencing December 1, 1993, at a rate of 0 % per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan Agreement, it is the Authority's and DEP's understanding that the Local Government has ~~[no other obligations outstanding which have a lien as to the source of and security for payment equal to or superior to the lien being granted by the Bonds]~~ or [provide list of outstanding debt].*

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

The Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal ~~and interest~~ and such Bonds shall grant the Authority a ~~[first]~~ lien on the net revenues of the Local Government's system. ~~shared-first~~

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

*1975 Farmers Home Administration Bond, balance at June 30, 1991, \$492,078.

1988 Farmers Home Administration Refinancing, balance at June 30, 1991, \$19,138.

SCHEDULE Y

| North Putnam PSD, West Virginia Waste Water Treatment Project | | | | |
|--|-----------|--------|----------|--------------|
| DEBT SERVICE SCHEDULE | | | | |
| DATE | PRINCIPAL | COUPON | INTEREST | DEBT SERVICE |
| 9/01/1993 | - | - | - | - |
| 12/01/1993 | 3,296.30 | - | - | 3,296.30 |
| 3/01/1994 | 3,296.30 | - | - | 3,296.30 |
| 6/01/1994 | 3,296.30 | - | - | 3,296.30 |
| 9/01/1994 | 3,296.30 | - | - | 3,296.30 |
| 12/01/1994 | 3,296.30 | - | - | 3,296.30 |
| 3/01/1995 | 3,296.30 | - | - | 3,296.30 |
| 6/01/1995 | 3,296.30 | - | - | 3,296.30 |
| 9/01/1995 | 3,296.30 | - | - | 3,296.30 |
| 12/01/1995 | 3,296.30 | - | - | 3,296.30 |
| 3/01/1996 | 3,296.30 | - | - | 3,296.30 |
| 6/01/1996 | 3,296.30 | - | - | 3,296.30 |
| 9/01/1996 | 3,296.30 | - | - | 3,296.30 |
| 12/01/1996 | 3,296.30 | - | - | 3,296.30 |
| 3/01/1997 | 3,296.30 | - | - | 3,296.30 |
| 6/01/1997 | 3,296.30 | - | - | 3,296.30 |
| 9/01/1997 | 3,296.30 | - | - | 3,296.30 |
| 12/01/1997 | 3,296.30 | - | - | 3,296.30 |
| 3/01/1998 | 3,296.30 | - | - | 3,296.30 |
| 6/01/1998 | 3,296.30 | - | - | 3,296.30 |
| 9/01/1998 | 3,296.30 | - | - | 3,296.30 |
| 12/01/1998 | 3,296.30 | - | - | 3,296.30 |
| 3/01/1999 | 3,296.30 | - | - | 3,296.30 |
| 6/01/1999 | 3,296.30 | - | - | 3,296.30 |
| 9/01/1999 | 3,296.30 | - | - | 3,296.30 |
| 12/01/1999 | 3,296.30 | - | - | 3,296.30 |
| 3/01/2000 | 3,296.30 | - | - | 3,296.30 |
| 6/01/2000 | 3,296.30 | - | - | 3,296.30 |
| 9/01/2000 | 3,296.30 | - | - | 3,296.30 |
| 12/01/2000 | 3,296.30 | - | - | 3,296.30 |
| 3/01/2001 | 3,296.30 | - | - | 3,296.30 |
| 6/01/2001 | 3,296.30 | - | - | 3,296.30 |
| 9/01/2001 | 3,296.30 | - | - | 3,296.30 |
| 12/01/2001 | 3,296.30 | - | - | 3,296.30 |
| 3/01/2002 | 3,296.30 | - | - | 3,296.30 |
| 6/01/2002 | 3,296.30 | - | - | 3,296.30 |
| 9/01/2002 | 3,296.30 | - | - | 3,296.30 |
| 12/01/2002 | 3,296.30 | - | - | 3,296.30 |
| 3/01/2003 | 3,296.30 | - | - | 3,296.30 |
| 6/01/2003 | 3,296.30 | - | - | 3,296.30 |
| 9/01/2003 | 3,296.30 | - | - | 3,296.30 |
| 12/01/2003 | 3,296.30 | - | - | 3,296.30 |
| 3/01/2004 | 3,296.30 | - | - | 3,296.30 |
| 6/01/2004 | 3,296.30 | - | - | 3,296.30 |
| 9/01/2004 | 3,296.30 | - | - | 3,296.30 |
| 12/01/2004 | 3,296.30 | - | - | 3,296.30 |
| 3/01/2005 | 3,296.30 | - | - | 3,296.30 |
| 6/01/2005 | 3,296.30 | - | - | 3,296.30 |
| 9/01/2005 | 3,296.30 | - | - | 3,296.30 |
| 12/01/2005 | 3,296.30 | - | - | 3,296.30 |

EXHIBIT C

NORTH PUTNAM PUBLIC SERVICE DISTRICT
Case No. 91-721-FSD-CN

STAFF RECOMMENDED RATES

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

(A) RATES - METERED

| | |
|---|--------|
| Customer Charge Per Month (regardless of water consumed) | \$4.07 |
| Usage Charge Per Thousand Gallons of water consumed | \$6.01 |

(The metered rate would be the sum of the customer charge and the usage charge).

(A) RATES - UNMETERED

In locations where the customer has no water meter, charges for sewer service shall be a monthly charge of \$16.89.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid in full within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment is not interest and is to be collected only once for each bill where it is appropriate.

SERVICE CONNECTION FEE

\$300.00 PER tap.

(a) Indicates advance

BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

RESOLUTION *NUNC PRO TUNC* APPOINTING MEMBERS TO
THE PUBLIC SERVICE BOARD OF NORTH PUTNAM PUBLIC
SERVICE DISTRICT

WHEREAS, the North Putnam Public Service District was established pursuant to Chapter 16, Article 13A of the Code of West Virginia;

WHEREAS, the terms of the members of the Public Service Board have been allowed to lapse;

WHEREAS, The County Commission of Putnam County, West Virginia (the "Commission") deems necessary the re-appointment of members to the Public Service Board; and

WHEREAS, it is now deemed desirous by said Commission to adopt a resolution *nunc pro tunc* appointing to the Public Service Board such persons, and for such terms, as are set forth below:

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED, BY THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA, as follows:

1. That the Commission hereby appoints the following persons to the Public Service Board of the North Putnam Public Service District, effective as of June 27, 2006, to the terms set forth below:

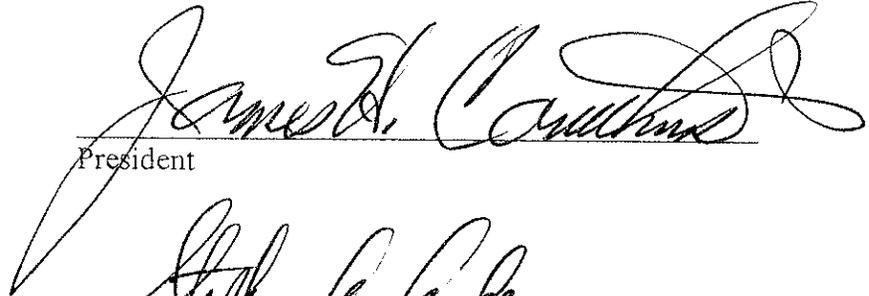
| Member | Term |
|--------------------|--|
| Gary Sigman | May 21, 1996 to May 21, 2002 May 21, 2002 to May 21, 2008 |
| Patti Babcock | December 1, 1997 to December 1, 2003 December 1, 2003 to December 1, 2009 |
| Loman Lee Cottrill | June 30, 2004 to June 30, 2010 |

2. This Resolution shall become effective immediately upon adoption hereof.

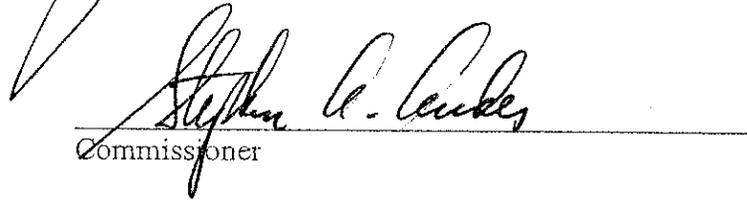
Entered *NUNC PRO TUNC* in the permanent record of The County Commission of Putnam County, West Virginia, the 27th day of June, 2006.

Adopted on the 27th day of June, 2006.

THE COUNTY COMMISSION OF PUTNAM COUNTY



President



Commissioner

Absent

Commissioner

06.22.06
847280.00004

CH831347.1

IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

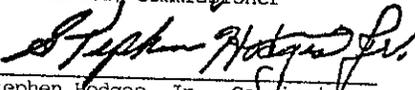
The County Commission of Putnam County, West Virginia sitting in regular session this 1st day of July, 1993, does hereby APPOINT Mr. Gary Sigmon, P. O. Box 55, Bancroft, West Virginia 25011 to the North Putnam PSD Board to fill the unexpired term of Jeffrey C. Pratt. Mr. Sigmon's term will expire 5-21-96.

It is further ORDERED that the Clerk of this Commission certify one copy of this ORDER to the above-named appointee.

ENTER this 1st day of July, 1993.


Franklin D. Bannister, President


Dave Alford, Commissioner


Stephen Hodges, Jr., Commissioner

Stony Sigmon
North Putnam PSD

HAROLD SUMMERS CLEER
PUTNAM COUNTY W.V.
RECORDED

I

AUG 2 12 10 PM '93

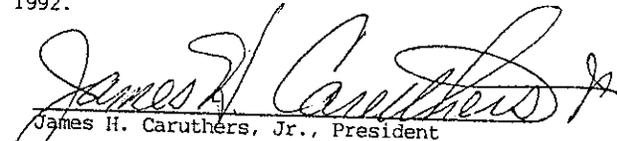
BOOK 9 PAGE 110
OFFICIAL LOATH

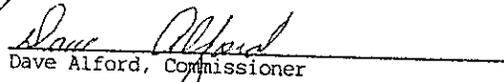
IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

The County Commission of Putnam County, West Virginia sitting in regular session this 5th day of March, 1992, does hereby REAPPOINT Ms. Patricia A. Babcock, Box 127 Bancroft, West Virginia 25011 to the North Putnam Public Service Board. Ms. Babcock's term will expire 12-1-97.

It is further ORDERED that the Clerk of this Commission certify one copy of this ORDER to the above-named appointees.

ENTER this 5th day of March, 1992.


James H. Caruthers, Jr., President

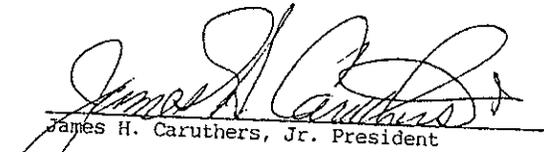

Dave Alford, Commissioner

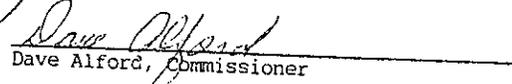

Franklin D. Bannister, Commissioner

IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

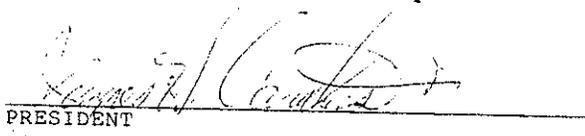
The County Commission of Putnam County, West Virginia, sitting in regular session this 5th day of March, 1992, does hereby ADJOURN until Monday, March 9, 1992.

ENTER this 5th day of March, 1992.


James H. Caruthers, Jr. President


Dave Alford, Commissioner


Franklin D. Bannister, Commissioner


PRESIDENT

KE

Ad
Patricia A. Lubeck

HEROLD SUPPERS CLERA
PO BOX 1000
MAY 1992

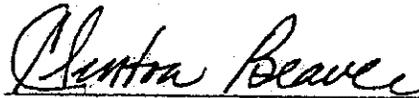
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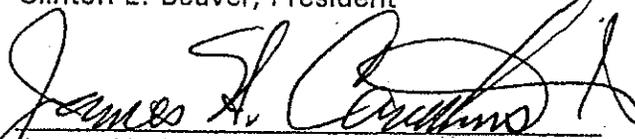
IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

The County Commission of Putnam County, West Virginia, sitting in regular session this the 20th day of August, 2002 does hereby APPOINT Loman Lee Cottrill, P. O. Box 62, Red House, WV 25168 to serve on the North Putnam Public Service District Board effective August 13, 2002 with a term to expire on June 30, 2004.

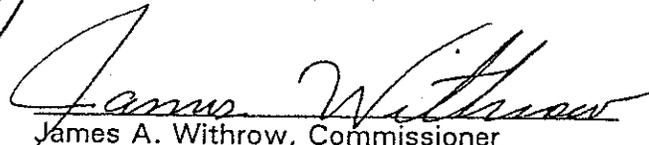
ENTER this 20th day of August, 2002.



Clinton E. Beaver, President



James H. Caruthers, Jr., Commissioner



James A. Withrow, Commissioner

OFFICIAL OATH

STATE OF WEST VIRGINIA,

PUTNAM COUNTY, SS:

I, Patricia A. Babcock do solemnly
swear that I will support the Constitution of the United States
and the Constitution of the State of West Virginia, and that I
will faithfully discharge the duties of the office of _____
the North Public Service District with term to expire
12-1-97
to the best of my skill and judgement, SO HELP ME GOD.

Patricia A. Babcock

Subscribed and sworn to before me this 24th day
of March, 19 92.

Harold Summers CLERK
Putnam County Commission,
Winfield, West Virginia

BY: Kathleen E. Turner Deputy

OFFICIAL OATH

STATE OF WEST VIRGINIA,
PUTNAM COUNTY, SS:

I, LOMAN LEE COTTRILL do solemnly
swear that I will support the Constitution of the United States
and the Constitution of the State of West Virginia, and that I
will faithfully discharge the duties of the office of _____
NORTH PUTNAM PUBLIC SERVICE DISTRICT BOARD
(TERM TO EXPIRE: JUNE 30, 2004)

to the best of my skill and judgement, SO HELP ME GOD.

Loman Lee Cottrill

Subscribed and sworn to before me this 29th day
of August, 2002.

Michael W. Elliott CLERK
Putnam County Commission,
Winfield, West Virginia

BY: Dwight Reid Deputy

STATE OF WEST VIRGINIA
County of Putnam, to-wit:
I, MICHAEL W. ELLIOTT, Clerk of
the County Commission of said County, do hereby
certify that the foregoing writing was this day pro-
duced to me in my said office and together with
the certificate thereto annexed, was duly admitted
to record therein.

Given under my hand this
29th day of August 2002
Michael W. Elliott 1:35
Clerk. p.m.

OFFICIAL OATH

STATE OF WEST VIRGINIA,

PUTNAM COUNTY, SS:

I, Gary Sigmon do solemnly
swear that I will support the Constitution of the United States
and the Constitution of the State of West Virginia, and that I
will faithfully discharge the duties of the office of _____
_____ member of the North Putnam PSD Board

_____ (term to expire 5/21/96)

to the best of my skill and judgement, SO HELP ME GOD.

Gary Sigmon

Subscribed and sworn to before me this 2nd day
of August, 19 93.

Harold Summers CLERK
Putnam County Commission,
Winfield, West Virginia

BY: Marcy Fewell Deputy

NORTH PUTNAM PUBLIC SERVICE DISTRICT
P O BOX 147
SCOTT DEPOT, WV 25560-0147

REGULAR MEETING
JANUARY 17, 2006

MEMBERS PRESENT: GARY SIGMAN, LEE COTTRILL, PATTI BABCOCK
STAFF PRESENT: JASON HENDERSON
GUESTS PRESENT: NONE

Chairman Gary Sigman called the regular meeting of the NPPSD Board of Commissioners to order at 7:00 p.m. on Tuesday, January 17, 2006, in the Bancroft Town Hall. Minutes of the December meeting were read and approved on a motion by Lee Cottrill.

The bank balance was reported as \$22,507.21.

Lee Cottrill motioned that all officers be retained for the 2006 year. There was no objection to this and it was agreed to keep the current officers.

Mr. Henderson reported the Parity Consent for the USDA has been sent to the Virginia office for review and final write up. This is the approval for "merging" the two districts. There is no time frame for approval and we must just wait until approval is received.

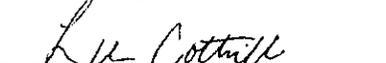
The COE is reviewing some designs for the project and we are waiting on the PSC certificate case to be finalized. Otherwise, plant operation is good.

There being no further business, the meeting adjourned at 7:45 p.m.

Respectfully,



Gary Sigman



Lee Cottrill



Patti Babcock

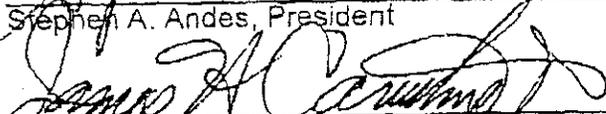
IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

The County Commission of Putnam County, West Virginia, sitting in regular session this the 30th day of August, 2005 does hereby RE-APPOINT Mr. Joe E. Miller, 3709 Cambridge Drive , Hurricane, West Virginia 25526 to serve on the South Putnam Public Service District Board, effective August 31, 2005 with a term to expire on August 31, 2011.

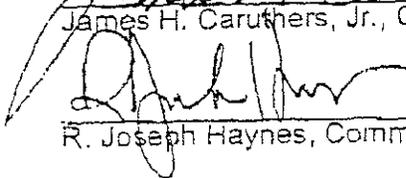
ENTER this 30th day of August, 2005.



Stephen A. Andes, President



James H. Caruthers, Jr., Commissioner

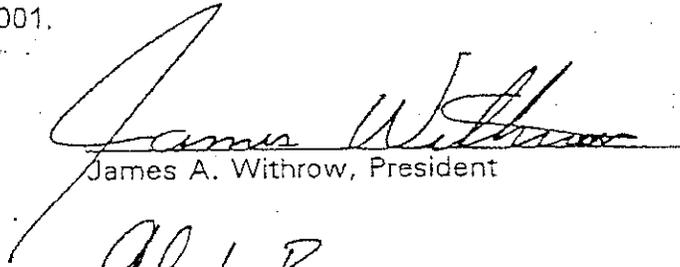


R. Joseph Haynes, Commissioner

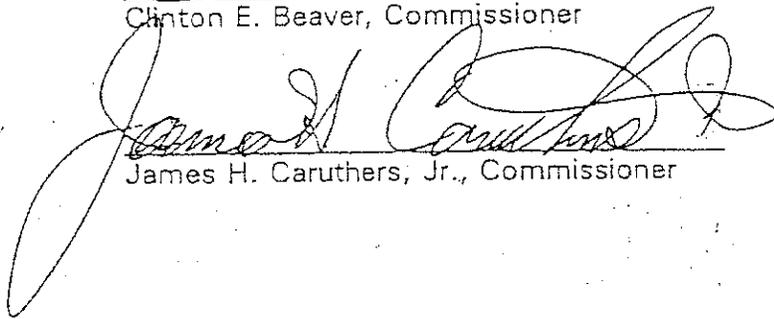
IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

The County Commission of Putnam County, West Virginia, sitting in regular session this the 28th day of August, 2001 does hereby APPOINT Mr. Jerry Kelley, P. O. Box 208, Red House, WV 25168 to serve on the South Putnam Public Service District Board effective August 28, 2001 with a term to expire on August 28, 2007.

ENTER this 28th day of August, 2001.

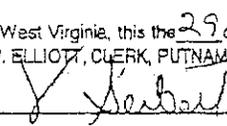

James A. Withrow, President


Clinton E. Beaver, Commissioner


James H. Caruthers, Jr., Commissioner

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
I, Michael W. Elliott, Clerk of Putnam County Commission do hereby certify that this foregoing is a true and correct copy and transcript from the record of my office.
Given under my hand and seal of said commission.

at Winfield, West Virginia, this the 29 day of Aug 2002
MICHAEL W. ELLIOTT, CLERK, PUTNAM COUNTY COMMISSION

By  Deputy

BOOK 073 PAGE 171

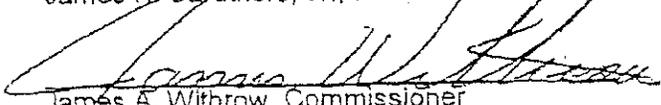
IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

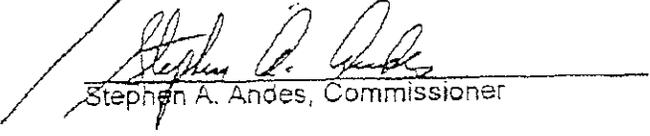
County Commission of Putnam County, West Virginia, sitting in regular session this the 9th of September, 2003 does hereby RE-APPOINT Mr. Calvin L. Hatfield, 101 Vista Lane, Maricane, WV 25526 to serve on the South Putnam Public Service District Board effective August 2003 with a term to expire on August 31, 2009.

TER this 9th day of September, 2003.

Absent

James H. Caruthers, Jr., President


James A. Withrow, Commissioner


Stephen A. Andes, Commissioner



Doc ID: 000245750005 Type: MIN
Recorded: 09/06/2005 at 10:32:57 AM
Fee Amt: Page 1 of 5
Putnam County Clerk
Brian Wood County Clerk

APPROVED: _____

DATE: _____

Stephen A. Andes
9-6-05

BK 1 PG 178-182

MINUTES
PUTNAM COUNTY COMMISSION REGULAR SESSION
August 30, 2005

OPENING

President Stephen A. Andes, Commissioner James H. Caruthers, Jr. and Commissioner R. Joseph Haynes were present when the 9:00 a.m. meeting was convened in the Putnam County Commission Chambers by County Clerk Brian Wood. The Pledge of Allegiance followed.

BRIAN WOOD, COUNTY CLERK

Mr. Wood presented the following for the Commissioner's approval and signature:

- 1) Edit registers
- 2) An Order to set the following rate of pay for the October 22, 2005, School Levy Election. Said pay will be \$115 for working in the polls on election day, \$35 for attending the training session (provided they also work election day), \$50 for picking up and delivering supplies (plus mileage) and \$20 for the person escorting the supply commissioner back to the courthouse on election night.
- 3) An Order, upon the recommendation of the Democratic and Republican Executive Committees, for the Commission to name Election Officials for the purpose of conducting the School Levy Election to be held on October 22, 2005.

Commissioner Caruthers made a motion to approve and sign the presented documents. Commissioner Haynes seconded the motion. The motion carried unanimously.

GENERAL BUSINESS

Commissioner Caruthers made a motion to approve the minutes of August 23, 2005. Commissioner Haynes seconded the motion. The motion carried unanimously.

Commissioner Caruthers made a motion to authorize the President to sign a Federal Annual Certification Report and a Federal Equitable Sharing Agreement as present by Sheriff Mark Smith. Commissioner Haynes seconded the motion. The motion carried unanimously.

ERRONEOUS ASSESSMENTS

Commissioner Haynes made a motion to approve the following Assessor's Erroneous Assessment Orders:

Two for Paula R. Clinton, et al, three for Kim E. Skaggs, et ux, Eloise B. Turner, two for People Baptist Church Trustees, Pat J. Sigman, et ux, Brian Wayne &/or Robin Lynn Thomas, James A. or Karen Condron, Danny Ray or Lori Ann Smith, D. C. Malcolm, Inc., Jessica (Clark) &/or

Matthew Johnson, Martha Lou Peyton, Craig &/or Michelle (Riddle) Swann, Donald Hayes, et ux, Linda Smith, two for S&D Coffee, Anthony S. &/or Devin R. Blankenship, Lance E. Workman, Fredrick D. or Frances L. Casto,

Commissioner Caruthers seconded the motion. The motion carried unanimously.

COMBINE AND DIVIDE

Commissioner Caruthers made a motion to approve the following Assessor's Combine & Divide Orders:

Richard F. Ferland, et ux and Eric S. Hayzlett, et ux

Commissioner Haynes seconded the motion. The motion carried unanimously.

COURT ORDERS APPROVED

Commissioner Caruthers made a motion to approve and sign the following:

1. An Order to appoint Commissioner Joe Haynes to serve on the Putnam County Parks and Recreation Commission as presented by the Commission Secretary.
2. An Order to make a payroll change for Brett Carpenter, Full-time, Deputy, Department 700, \$13.88/hourly effective August 28, 2005 as presented by the Commission Secretary.
3. An Order for Holiday Pay for Civil Service Sheriff Deputies who worked the Special Election on June 25, 2005 as presented by the Commission Secretary.
4. An Order to appoint Mr. Mark Grigsby, 148 Asbury Road, Nitro, WV to serve on the Putnam County Parks and Recreation Commission effective August 30, 2005 as presented by the Commission Secretary.
5. An Order to appoint Mr. Douglas Pierson, Route 1, Box 431, Buffalo, WV to serve on the Putnam County Parks and Recreation Commission effective August 30, 2005 as presented by the Commission Secretary.
6. An Order to appoint Mr. Joseph Tyree, 101 Hidden Valley, Scott Depot, WV to serve on the Putnam County Parks and Recreation Commission effective August 30, 2005 as presented by the Commission Secretary.
7. An Order to re-appoint Mr. Christopher Gress, 223 Berry Hills, Winfield, WV to serve on the Putnam County Parks and Recreation Commission effective August 31, 2005 as presented by the Commission Secretary.
8. An Order to appoint Mr. Carroll Hutton, 4440 Route 34, Winfield, WV to serve on the Central Regional Airport Authority effective August 30, 2005 as presented by the Commission Secretary.
9. An Order to re-appoint Mr. Noah Perry, Route 1, Box 57, Buffalo, WV to serve on the Farmland Advisory Board effective January 1, 2005 as presented by the Commission Secretary.

10. An Order to re-appoint Mr. Michael Wolpert, Route 1, Box 139, Buffalo, WV to serve on the Farmland Advisory Board effective January 1, 2005 as presented by the Commission Secretary.
11. An Order to re-appoint Mr. Jimmy Calhoun, 42 Sherwood Drive, Hurricane, WV to serve on the Putnam County Port Authority effective March 10, 2005 as presented by the Commission Secretary.
12. An Order to re-appoint Mr. Clarence Sears, 16 Sherwood Circle, Hurricane, WV to serve on the Putnam County Port Authority effective March 10, 2005 as presented by the Commission Secretary.
13. An Order to re-appoint Mr. Thomas Reishman, 10 Woodclyffe Road, Hurricane, WV to serve on the Putnam County Port Authority effective June 19, 2005 as presented by the Commission Secretary.
14. An Order to re-appoint Mr. Nathan R. Wills, Route 1, Box 13, Poca, WV to serve on the Putnam County Port Authority effective June 19, 2005 as presented by the Commission Secretary.
15. An Order to re-appoint Mr. Joe E. Miller, 3709 Cambridge Drive, Hurricane, WV to serve on the South Putnam Public Service District Board effective August 31, 2005 as presented by the Commission Secretary. ✓
16. An Order to re-appoint Mr. Wayne Bennett, P. O. Box 178, Winfield, WV to serve on the Solid Waste Authority effective June 30, 2004 as presented by the Commission Secretary.
17. An Order to re-appoint Mr. Eric Embree, 15 Holly Circle, Winfield, WV to serve on the Civil Service/Deputy Sheriff effective June 30, 2005 as presented by the Commission Secretary.
18. An Order to make a payroll change for Colleen Stone, Full-time, Office Supervisor, Department 402, \$11.76/hourly, effective September 11, 2005 as presented by the Commission Secretary.
19. An Order to issue a check from the E-911 Fund (07) in the amount of \$2,428.54 made payable to the E-911 Wireless Fund (24) representing 3% of the monthly E-911 wireless subscriber fees as presented by the Commission Secretary.

Commissioner Haynes seconded the motion. The motion carried unanimously.

JENNIFER SCRAGG, COUNTY ATTORNEY

Ms. Scragg and the Commission discussed the following:

- 1) Commissioner Caruthers made a motion to repeal the authorization granted to Parks on November 20, 2001 by the Commission and to vacate the approval granted at that time for Parks to exercise eminent domain power with regard to certain real estate commonly referred to as "Bowyer Woods" as presented by Ms. Scragg. Commissioner Haynes seconded the motion. The motion carried unanimously.

- 2) Commissioner Haynes made a motion to allocate cable franchise fee revenue on a case-by-case basis as the County Commission deems appropriate and, specifically, to not designate any of said funds for the employment of a Parks and Recreation Commission director. Commissioner Caruthers seconded the motion. The motion carried unanimously,
- 3) Ms. Scragg presented to the Commission a letter to the Putnam County Parks and Recreation Commission recommending termination of its contract with Mr. Cordie Hudkins for signature.

BRIAN DONAT, COUNTY ADMINISTRATOR

Commissioner Caruthers made a motion to authorize the President to sign Reimbursement Request #2 – Local Economic Development Assistance Grant – Hoge House. Commissioner Haynes seconded the motion. The motion carried unanimously.

Commissioner Caruthers made a motion to issue a check from the Water and Sewer Fund (045-809-5-68.1) in the amount of \$6,726.19 payable to Potesta & Associates for Fisher Ridge Phase II as presented by Mr. Donat. Commissioner Haynes seconded the motion. The motion carried unanimously.

JIM LEES

Mr. Lees appearance before the Commission was postponed.

ESTATE SETTLEMENTS AND FIDUCIARY ORDERS

Commissioner Caruthers made a motion to approve the following document as presented by the Fiduciary Supervisor:

Short Form Settlements: Doyle Ray Boggess, Sr., Betty Jo Ellis, Leah Thelma Engle, David F. Graham, Chester Albert Huff, John Kosa, Ralph Dean Meadows, Elizabeth E. Meeks, Kenneth D. Smith, Sr., Ellen T. Zitzelsberger

Long Form Settlement: William R. Harris, Sr.

Estate Partial Settlement: Edward L. McDade

Guardian Partial Settlement: Joshua P. Chapman

An Order to approve and confirm the actions of the Fiduciary Supervisor and/or her deputies on behalf of the Commission from August 15, 2005 through August 26, 2005.

Commissioner Haynes seconded the motion. The motion carried unanimously.

RECESS

At 10:45 a.m., Commissioner Caruthers made a motion to recess the regular session. Commissioner Haynes seconded the motion. The motion carried unanimously.

DAY REPORT CENTER

At 5:00 p. m., the Commissioners convened a meeting with elected officials from Putnam and Kanawha counties to discuss the Day Reporting Center program.

ADJOURN

The next scheduled meeting of the County Commission is Tuesday, September 6, 2005 at 9:00 a.m.

Respectfully submitted,

Sherry Otey
Commission Secretary

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
I, Brian Wood, Clerk of Putnam County Commission do
hereby certify that this foregoing is a true and correct
copy and transcript from the record of my office.
Given under my hand and seal of said commission

at Winfield, West Virginia, this the 8th day of Sept 2005
BRIAN WOOD, CLERK, PUTNAM COUNTY COMMISSION

By Regina Otey Deputy

OFFICIAL OATH

STATE OF WEST VIRGINIA,

PUTNAM COUNTY, SS:

I, JOE E. MILLER do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of _____

SOUTH PUTNAM PUBLIC SERVICE DISTRICT BOARD

(TERM: AUGUST 31, 2005 TO AUGUST 31, 2011)

to the best of my skill and judgement, SO HELP ME, GOD.

Joe E. Miller

Subscribed and sworn to before me this 6th day
of September, 2005.

Brian Wood CLERK
Putnam County Commission,
Winfield, West Virginia

BY: *J. Seibert* Deputy

OFFICIAL OATH

STATE OF WEST VIRGINIA,

PUTNAM COUNTY, SS:

I, Jerry Kelley do solemnly

swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of _____

South Putnam Public Service District Board

to the best of my skill and judgement, SO HELP ME GOD.

Jerry K. Kelley

Subscribed and sworn to before me this 10th day of September, 2001

Michael W. Elliott CLERK
Putnam County Commission,
Winfield, West Virginia

BY: Phyllis Ward Deputy

STATE OF WEST VIRGINIA
County of Putnam, ss—
I, MICHAEL W. ELLIOTT, Clerk of
the County Commission of said County, do hereby
certify that the foregoing writing was duly pre-
sented to me in my said office and together with
the certificate therein contained, was duly advanced
to public record.

10 day of Sept 2001
Michael W. Elliott

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
I, Michael W. Elliott, Clerk of Putnam County Commission do
heraby certify that this foregoing is a true and correct
copy and transcript from the record of my office.
Given under my hand and seal of said commission.

BOOK 010 PAGE 377

OFFICIAL OATH

STATE OF WEST VIRGINIA,
PUTNAM COUNTY, SS:

I, CALVIN L. HATFIELD do solemnly

swear that I will support the Constitution of the United States

and the Constitution of the State of West Virginia, and that I

will faithfully discharge the duties of the office of _____

SOUTH PUTNAM PUBLIC SERVICE DISTRICT BOARD

(TERM: AUGUST 31, 2003 TO AUGUST 31, 2009)

to the best of my skill and judgement, SO HELP ME GOD.

Calvin L. Hatfield

Subscribed and sworn to before me this 17th day

of September, 2003

Michael W. Elliott CLERK
Putnam County Commission,
Winfield, West Virginia

BY: _____ Deputy

STATE OF WEST VIRGINIA
County of Putnam, to-wit:
I, MICHAEL W. ELLIOTT, Clerk of
County Commission of said County, do hereby
certify that the foregoing writing was this day
presented to me in my said office and together with
the affidavits therein annexed, was duly admitted
and recorded therein.

Given under my hand this
17th day of September, 2003
Michael W. Elliott 11:31
Clerk AM

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
Regular Meeting of the PSD Board
10 January 2006

MINUTES

Chairman Jerry Kelley called to order the regular meeting of the PSD Board with Board members Calvin Hatfield and Joe Miller present. Staff present included Mike McNulty and Jason Henderson.

RECOGNITION OF GUESTS

The Board recognized Stephen Andes, President, Putnam County Commission; Jim Caruthers, Putnam County Commission; Mike Newton, Qk4 Engineering and Pat Rawlings, Qk4 Engineering.

CHANGE IN ORDER OF AGENDA

Without objection, Chairman Kelley called upon the Staff to move to Old Business for the purpose of allowing the Putnam County Commissioners to be updated on current projects within a reasonable time period.

OLD BUSINESS

WVDOH Project

Mr. Henderson provided the Board with a brief summary of work to date regarding the construction of the Rt. 35 interchange and the Larck Dam.

Project Finances

Mr. Henderson presented invoice WVDOH for Partial Invoice No.6 in the amount of \$5,073.41 for engineering services. Following review, motion was made by Calvin Hatfield approving Partial Invoice No. 6 as presented. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

Sewer Interceptor /TIF District Project

Mr. McNulty advised the Board that the lining portion of the project is approximately 75% completed and that the lining contractor is estimating they will be completed in 2 weeks. Mr. McNulty further advised the Board that approximately 700 lf of 16-inch force-main will be installed by District Staff in the next couple of weeks.

Project Finances

Mr. Henderson presented Contractors Estimate No. 2 for contract 04 in the amount of \$412,878.54. Following review, motion was made by Calvin Hatfield approving Contractors Estimate No. 2 for contract 04 in the amount of \$412,878.54 as presented. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

Mr. Henderson presented Resolution No. 06 in the amount of \$427,421.62 for project engineering and construction services. Following review, motion was made by Calvin Hatfield approving Resolution No. 6 in the amount of \$427,421.62 as presented. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

SOUTH PUTNAM PUBLIC SERVICE DISTRICT

Regular Meeting of the PSD Board

MINUTES

10 January 2006

Page 2

Mr. Henderson presented Requisition No. 06 in the amount of \$427,421.62 for project engineering and construction services. Following review, motion was made by Calvin Hatfield approving Requisition No. 6 in the amount of \$427,421.62 as presented. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

Kanawha Valley Sewer Project

Mr. Henderson advised the Board that arrangements for core drilling the lift station sites is on track and we still have not been able to finalize the purchase of the remaining property for a lift-station. The project is on schedule and we are on schedule to advertise the project for bids at the end of January or early February depending upon approval from USDA RUS.

North Putnam Sewer Project

Mr. McNulty informed the Board that the PSC has not issued a Recommended Decision on the revised PCA from the US Army Corps of Engineers. Mr. McNulty also reported that he has spoken with Janna Lowery, USDA RUS, earlier today and that she needed one additional piece of information from John Stump, Steptoe & Johnson, prior to sending the acquisition package to the Virginia office for approval.

Project Finances

Mr. Henderson presented Requisition No. 34 in the amount of \$15.40 for project legal services. Following review, motion was made by Calvin Hatfield approving Requisition No. 34 in the amount of \$15.40 as presented. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

Water System Improvement Project

Mr. McNulty informed the Board that the advertisement for bids was published on Monday, January 9. The Pre-bid meeting is scheduled for January 26, 2006 and the Bid opening will be held on February 9, 2006.

Vintroux Hollow Water & Sewer Project

Mr. McNulty informed the Board that Ok4 Engineers has reported they have almost completed the paperwork necessary to apply for a \$500,000 grant from the US Army Corps of Engineers.

Mr. McNulty presented the Board with a request to advertise for engineering services to incorporate the Teays Hollow project area and the Great Teays Force-Main replacement into this project. Following discussion, motion was made by Calvin Hatfield approving Staff's request to advertise for engineering services to incorporate the Teays Hollow project area and the Great Teays Force-Main replacement. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

SOUTH PUTNAM PUBLIC SERVICE DISTRICT

Regular Meeting of the PSD Board

MINUTES

10 January 2006

Page 3

NEW BUSINESS

Developer Plans

No plans were presented

Great Teays Maintenance Facility

Mr. McNulty presented a request to advertise for professional engineering and design services to complete the Great Teays Maintenance Facility that will consist of a new maintenance garage, grinder pump shop, meter test shop, employee locker room facility and offices. The plan also calls for the construction of shed buildings to house District vehicles and equipment as well as water and sewer pipe. Following discussion, motion was made by Calvin Hatfield approving Staff's request to advertise for professional engineering and design services for the completion of the Great Teays Maintenance Facility. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

Chairman Kelley thanked the Putnam County Commissioners for their assistance over the past year and opened the floor to discussion for future projects and plans for the betterment of Putnam County. There being no additional project related topics for discussion, Chairman Kelley returned to beginning order of business.

MODIFICATION OF PSD BOARD BY-LAWS

The Board was provided with a copy of strikethrough and insert of proposed language for Section V of the District's By-Laws. Following review motion was made by Calvin Hatfield to adopt the proposed language. (Copy Attached) Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

SELECTION OF OFFICERS

Motion was made by Calvin Hatfield to select Jerry Kelley to serve as the Board Chair. Joe Miller as the Board Secretary and Calvin Hatfield as the Board Treasurer. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; Miller: Yes. Motion carried.

MINUTES OF PREVIOUS MEETING

Motion was made by Calvin Hatfield approving the Minutes of the December 27, 2005 regular meeting of the PSD Board that were provided to the Board prior to the meeting for review. Joe Miller seconded the motion that was approved and carried by unanimous vote.

FINANCIAL REPORT & PAYMENT OF REQUISITIONS

The status report of the District's bank accounts was provided to the Board at the meeting for review.

SOUTH PUTNAM PUBLIC SERVICE DISTRICT

Regular Meeting of the PSD Board

MINUTES

10 January 2006

Page 4

Requisition #706 in the amount of \$115,458.17 was presented to the Board for re-approval; Requisition #707 in the amount of 66,714.53 was presented to the Board for re-approval; Requisition # 708 in the amount of \$259,336.88 was presented to the Board for re-approval; and Requisition #709 totaling \$100,111.26 was presented to the Board for approval. Following review, motion was made by Calvin Hatfield approving the Requisitions as presented for payment. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; and Miller: Yes. Motion carried.

CUSTOMER ADJUSTMENT REQUESTS

Mr. McNulty presented the customer adjustment requests as outlined below.

| Name/Address | Water | Sewer | Action |
|--|----------|----------|----------|
| Kenneth Caplinger 117 Teays Meadows | \$27.68 | \$51.42 | Approved |
| Kenneth Caplinger 117 Teays Meadows | \$79.50 | 150.71 | Approved |
| Kenneth Caplinger 117 Teays Meadows | \$11.13 | \$20.69 | Approved |
| Gary Bolen RR12 Box 294 B-4 | --- | 241.85 | Approved |
| Adam Vogel RR3 Box 42 B-1 | --- | \$99.75 | Approved |
| Danny Lee Cottle 13 Seville Dr. | \$16.22 | \$30.14 | Approved |
| Darrell Briscoe 1806 Harmon's Br. Rd. | \$200.72 | --- | Approved |
| Pamela Santone 44 Deerfield Lane | \$9.06 | \$17.14 | Approved |
| Patricia Holestine 21 Granda Circle | \$20.68 | \$38.41 | Approved |
| Phyllis McHenry Powers 203 Carrington Dr. | \$172.44 | \$339.23 | Approved |
| Misty Kirby 121 Valley Bend | \$15.59 | \$28.95 | Approved |
| Misty Kirby 121 Valley Bend | \$9.31 | \$15.37 | Approved |

Following review, motion was made by Calvin Hatfield approving the customer adjustment requests as presented. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; and Miller: Yes. Motion carried.

OTHER BUSINESS

No other business was presented before the Board.

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
Regular Meeting of the PSD Board
MINUTES

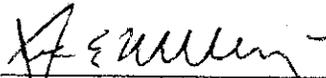
10 January 2006

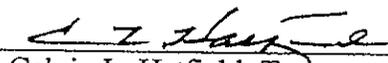
Page 5

ADJOURNMENT

There being no further business, motion was made by Calvin Hatfield adjourning the regular meeting at 9:00 p.m. Joe Miller seconded the motion that was approved by a vote of Kelley: Yes; Hatfield: Yes; and Miller: Yes. Motion carried.

Jerry K. Kelley, Chairman


Joe E. Miller, Secretary


Calvin L. Hatfield, Treasurer



Doc ID: 000418100008 Type: DEE
 Recorded: 06/30/2006 at 03:36:24 PM
 Fee Amt: \$14.00 Page 1 of 8
 Excise Tax: \$0.00
 Putnam County Clerk
 Brian Wood County Clerk

BK **466** PG **996-1003**

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this 30th day of June, 2006, by and between NORTH PUTNAM PUBLIC SERVICE DISTRICT (hereinafter sometimes referred to as "North Putnam"), a public corporation and political subdivision of the State of West Virginia, party of the first part, and SOUTH PUTNAM PUBLIC SERVICE DISTRICT (hereinafter sometimes referred to as "South Putnam"), a public corporation and political subdivision of the State of West Virginia, party of the second part.

WHEREAS, North Putnam adopted a resolution on July 11, 2003, approving the transfer of the assets of North Putnam to South Putnam, subject to South Putnam's assumption of North Putnam's Sewer Revenue Bonds, Series 1975 (the "Series 1975 Bonds") and Sewer Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), the approval of the Public Service Commission of West Virginia and the approval of the bondholders of the Districts;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 25, 2003, approved transfer of the assets of North Putnam to South Putnam; and

WHEREAS, the West Virginia Water Development Authority, as bondholder of the Series 1993 Bonds and certain of South Putnam's outstanding bonds, and the United States of America, acting through the Rural Utilities Service of the United States Department of Agriculture, as bondholder of the Series 1975 Bonds and certain of South Putnam's outstanding bonds, have approved the transfer of the assets of North Putnam to

Return to:
 Real Estate Department
 Steptoe & Johnson, PLLC
 PO Box 1588
 Charleston, WV 25326-1588

South Putnam and the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam, and North Putnam Public Service District is hereby executing and delivering this Quitclaim Deed to evidence the transfer of all right, title and interest in and to any and all real estate and interests in real estate, together with all improvements situate thereon and the appurtenances thereunto belonging, owned by North Putnam Public Service District to South Putnam Public Service District.

NOW, THEREFORE, in consideration of said merger and the premises herein and Ten Dollars (\$10.00), cash in hand paid, the receipt of which is hereby acknowledged, the party of the first part does hereby GRANT and CONVEY unto the party of the second part all of its right, title and interest in and to any and all real estate and interests in real estate, together with all improvements situate thereon and the appurtenances thereunto belonging, situate in Putnam County, West Virginia, and more particularly bounded and described as follows:

PARCEL NO. 1

All of that certain parcel of real estate situate at the mouth of Guano Creek, Poca District, Putnam County, West Virginia, and more particularly described as follows:

Beginning at a spike in the pavement at the intersection of the Easterly Boundary of the existing Rte. 62 right-of-way and the Southerly Boundary of W. Va. Secondary Rte. 21 (Guano Creek Road) right-of-way; thence N 77° 43' E - 44.68 feet to a Iron Pin; thence S. 38° 45' E - 55.75 feet to an Iron Pin; thence S 51° 15' W - 40.00 feet to an Iron Pin in said Easterly Boundary; thence with said Boundary N 38° 45' W - 75.66 feet to the Point of Beginning, containing 0.060 Acres,

being part of the lands conveyed to East Kanawha Public Service District by Deed of Record in the Office of the Clerk of the County Court of Putnam County, West Virginia at Deed Book 221, Page 354.

Amherst Coal Company excepts and reserves from the operation of this deed the coal, oil, gas and other minerals and mineral substances of every kind and character, in, on and underlying the property herein granted, together with the right to mine, drill for, remove and carry away all of such minerals and mineral substances without liability for damage or injury to or the destruction of said land or to anything now or hereafter located thereon, it being understood that there is no covenant or undertaking expressed or implied that Amherst Coal Company, its successors, assigns, lessees, or licensees will sustain the surface of said real estate by either vertical or lateral support; provided, however, that no mining operation shall be carried on which will damage or endanger the safety of the improvements erected upon the premises hereinabove described and conveyed, or caused any obstruction or subsidence until the East Kanawha Public Service District, its successors and assigns, shall be given notice thereof in writing and an opportunity to purchase at the price of twenty-five cents (.25¢) per net ton, such coal as it may wish to remain in place for its protection, and provided further that Amherst Coal Company shall have no right to use or occupy the surface of the property herein conveyed.

PARCEL NO. 2

All that certain lot, tract or parcel of land, together with the improvements thereon and the appurtenances thereunto belonging, situate near the Village of Hometown, Union District, Putnam County, West Virginia, and being more particularly bounded and described as follows:

BEGINNING at an iron pin set in the easterly boundary of the existing Penn Central Railroad right-of-way at right angles to Railroad Station 15086 + 31; thence N. 43° 46' E. - 40.00 feet to an iron pin; thence S. 46° 42' E. - 466.58 feet to a point; thence with a chord of a curve to the right S. 44° 32' E. - 239.93 feet to a point; thence with a chord of a curve to the right S. 40° 07' E. - 204.42 feet to an iron pin in the northerly boundary of an existing 20 foot right-of-way; thence S. 60° 50' W. 40.44 feet to an iron pin in the aforesaid easterly boundary of the existing Penn Central Railroad right-of-way; thence with a chord of a curve to the left N. 40° 07' W. - 199.72 feet to a point; thence with a chord of a curve to the left N. 44° 32' W. 237.62 feet to a point; thence N. 46° 42' W. - 465.18 feet to the point of beginning, containing 0.83 acre, more or less, and being designated as "Tract 2 - Access Road 0.83 Ac.", upon that certain map entitled, "Map Showing Tracts Of Land To Be Conveyed To The East Kanawha Public Service District By: Luigi and Teresa Lemma Situate on Little Guano Creek in The Community of Hometown, Union District, Putnam County, West Virginia", dated June 20, 1975, which said map is attached, annexed and made a part of this conveyance, and being a part of the same real estate conveyed unto Lemma Realty Co., Inc., a corporation, party of the first part herein, by

Luigi Lemma, Widower, and Others, by deed dated the 25th day of May, 1957, and duly of record in the Office of the Clerk of the County Commission of Putnam County, West Virginia, in Deed Book 125, at Page 348, reference to said map and deed is hereby made for a further description of the real estate herein conveyed.

PARCEL NO. 3

All that certain lot, tract or parcel of land, together with the improvements thereon and the appurtenances thereunto belonging, situate near the Town of Bancroft, Putnam County, West Virginia, and being all of Lot No. Fifty-One (51), of Block A, as said lot is shown and designated upon that certain map entitled, "Block A Property Subdivision Near Bancroft Putnam County W. Va. On Property Of Michie and Long and Raymond City Coal & Transportation Co.", Scale: 1" = 100', said map dated April 29, 1946, and duly of record in the Office of the Clerk of the County Commission of Putnam County, West Virginia, in Map Book 1, at Page 95, and being a part of the same real estate conveyed unto East Kanawha P.S.D. by Dorothy M. Tucker, by deed dated the 6th day of July 1976, and duly of record in the aforesaid Clerk's Office in Deed Book 221, at Page 379.

PARCEL NO. 4

An easement right of way, on, over, through and across that certain parcel of real estate, situate in the Village of Hometown, Union District, Putnam County, West Virginia, and being more particularly bounded and described as follows:

Beginning at an iron post in the southwesterly boundary of W. Va. State Route 62 (formerly U.S. Route 35) same being the common corner with a twenty (20) foot road right-of-way and the subject property; thence S. 55° 13' W. with the northwesterly boundary of said road right-of-way, a distance of 251.5 feet more or less to an iron post in said road boundary; thence S. 56° 05' W. a distance of 253.7 feet more or less to an iron post in said boundary; thence N. 32° 52' W. a distance of 10.0 feet more or less; thence N, 56° 05' E. paralleling said road boundary a distance of 253.7 feet, more or less; thence N. 55° 13' E. and paralleling said road boundary a distance of 251.5 feet more or less, to a point on the southwesterly boundary of State Route 62; thence S. 30° 30' E. a distance of 10.00 feet, more or less, to the point of beginning, said easement and right of way being more particularly shown and designated upon that certain map entitled, "Map Showing Tract To Be Conveyed To: THE EAST KANAWHA PUBLIC SERVICE DISTRICT BY: VIRGINIA LEMMA SURFACE Union District, Putnam County, W. VA. Scale: 1" - 200', Prepared by Appalachian Engineers, Inc., Consulting Engineers,

said map dated December 30, 1976, and attached, annexed and made a part of this conveyance.

Said parties of the first part expressly reserved unto themselves the right to use said easement and right of way granted therein.

PARCEL NO. 5

All that certain lot or parcel of land, together with the improvements thereon and the appurtenances thereunto belonging, situate in the Town of Black Betsy, Poca District, Putnam County, West Virginia, more particularly described as follows:

BEGINNING at a point on the westerly boundary of Washington Street Right-of-Way, said point being located S 19° 11' E a distance of 138 feet more or less from the Junction of the said westerly boundary and the southerly boundary of a designated 40 feet street right-of-way shown upon a plat or map entitled; "Subdivision Map for D.E. and Margaret L. Grassie, being Lots 17 thru 20, Block "N" in the Town of Black Betsy, Poca District, Putnam County, W.Va." Scale: 1" = 50' made by Wilkinson Surveying and Engineering, Incorporated, Dunbar, W.Va., dated February 16, 1976, of record in the Office of the Clerk of the County Commission of Putnam County, West Virginia, at Map Book 6, Page 24; thence S 19° 11' E. a distance of 50 feet more or less to a point on the said westerly boundary; thence S. 70° 49' W. a distance of 50 feet more or less to a point; thence N. 19° 11' W. a distance of 50 feet more or less to a point; thence N. 70° 49' E. a distance of 50 feet more or less to the point of beginning, containing 0.57 acres and being a part of Lot No. 21 of Block "N" Black Betsy, Poca District, Putnam County, West Virginia, as shown on that certain map entitled; "Map of Block "N", E. L. Michle, R. S. Long and Raymond City Coal and Transportation Corp., Black Betsy, Putnam County, West Virginia," made by E. B. Roeser, Engineer, dated June 1, 1974, of record in the aforesaid Clerk's Office;

and being a part of the same property conveyed unto the Grantors herein by virtue of said deed dated the 7th day of February, 1990, and of record in the aforesaid Clerk's Office in Deed Book 323 at page 411. Reference to said maps and deed being made herein for all pertinent purposes.

For the same consideration aforesaid, the said party of the first part does hereby assign, transfer, set over and convey to the party of the second part all personal property, including, but not limited to, all inventory, accounts receivable, equipment, supplies, vehicles, furniture, fixtures, furnishings, improvements, other tangible personal property and any interest in personal property owned by the party of the first part, wherever located.

This conveyance is made subject to all exceptions, reservations, restrictions, easements, conditions and rights-of-way contained or mentioned in prior instruments of record affecting the subject property.

The undersigned party of the first part hereby declares that this conveyance is not subject to the West Virginia Excise Tax on the privilege of transferring real property because it is a conveyance from a political subdivision of the State of West Virginia to another political subdivision of the State of West Virginia.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, North Putnam Public Service District has hereto caused its corporate name to be signed and corporate seal to be affixed hereto by its proper officer thereunto duly authorized, all as of the day and year first hereinabove written.

NORTH PUTNAM PUBLIC SERVICE DISTRICT

[SEAL]

By *Ray Sigman*
Its Chairman

STATE OF WEST VIRGINIA,

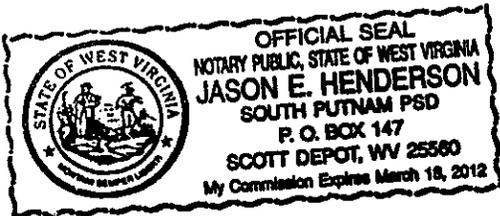
COUNTY OF PUTNAM, TO-WIT:

I, JASON E. HENDERSON, a Notary Public in and for the County and State aforesaid, do certify that GARY SIGMAN, Chairman, who signed the writing hereto annexed, bearing date the 30th day of June, 2006, for NORTH PUTNAM PUBLIC SERVICE DISTRICT, a public corporation, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand and official seal this 22 day of June, 2006.

My commission expires MARCH 18 2012.


Notary Public

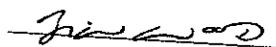


This document prepared by:

John C. Stump
Stephoe & Johnson PLLC
Post Office Box 1588
Charleston, West Virginia 25326
(304) 353-8000

06.21.06
847280.00004

STATE OF WEST VIRGINIA, Putnam
County Commission Clerk's Office
06/30/2006. The foregoing Deed together
with the certificate of its acknowledgment,
was this day presented in said office and
admitted to record.

Teste:  Clerk



Doc ID: 000418120004 Type: MIS
 Recorded: 06/30/2006 at 03:37:55 PM
 Fee Amt: \$6.00 Page 1 of 4
 Putnam County Clerk
 Brian Wood County Clerk

BK **61** PG **208-211**

BILL OF SALE OF
 NORTH PUTNAM PUBLIC SERVICE DISTRICT

THIS BILL OF SALE, made this 30th day of June, 2006, by and between NORTH PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, party of the first part, hereinafter sometimes referred to as the "Seller," and SOUTH PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, party of the second part, hereinafter sometimes referred to as the "Purchaser;"

WHEREAS, Seller adopted a resolution on July 11, 2003, approving the transfer of the assets of Seller to Purchaser, subject to the Purchaser's assumption of the Seller's Sewer Revenue Bonds, Series 1975 (the "Series 1975 Bonds") and Sewer Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), the approval of the Public Service Commission of West Virginia and the approval of the bondholders of the Districts;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 25, 2003, approved transfer of the assets of Seller to Purchaser; and

WHEREAS, the West Virginia Water Development Authority, as bondholder of the Series 1993 Bonds and certain of Purchaser's outstanding bonds, and the United States of America, acting through the Rural Utilities Service of the United States Department of Agriculture, as bondholder of the Series 1975 Bonds and certain of Purchaser's outstanding bonds, have approved the transfer of the assets of Seller to Purchaser and the assumption of

Return to:
 Real Estate Department
 Steptoe & Johnson, PLLC
 PO Box 1588
 Charleston, WV 25326-1588

the Series 1975 Bonds and the Series 1993 Bonds by the Purchaser, and the Public Service Board of North Putnam Public Service District is hereby executing and delivering this Bill of Sale to evidence the transfer of all personal property, tangible or intangible, and interests in personal property owned by North Putnam Public Service District to South Putnam Public Service District.

WITNESSETH, that for the sum of Ten and 00/100 Dollars (\$10.00), cash in hand paid by the Purchaser to the Seller, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Seller does hereby sell, assign, transfer, set over and deliver to Purchaser all personal property, including, but not limited to, all inventory, accounts receivable, deposit accounts, certificates of deposit, other evidences of indebtedness of a third party to the Seller, claims, causes of action, agreements, including, but not limited to, any indemnification agreements, contracts, equipment, supplies, vehicles, furniture, fixtures, furnishings, improvements, and any other tangible or intangible personal property, and any interest in personal property owned by the Seller, wherever located and of whatever nature.

The Seller shall deliver possession of the aforesaid personal property to Purchaser on the date of this Bill of Sale.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, North Putnam Public Service District has caused its corporate name to be signed and its corporate seal to be affixed hereto by its proper officer thereunto duly authorized, all as of the day and year first hereinabove written.

NORTH PUTNAM PUBLIC SERVICE DISTRICT

[SEAL]

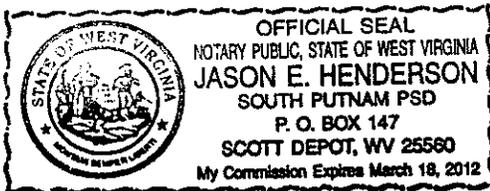
By: *Gary Sigman*
Its: Chairman

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

I, JASON E. HENDERSON, a Notary Public in and for the
County and State aforesaid, do certify that GARY SIGMAN, who signed the
writing hereto annexed, bearing date the 30th day of June, 2006, for NORTH PUTNAM
PUBLIC SERVICE DISTRICT, a public corporation, has this day in my said County, before
me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand and official seal this 22 day of June, 2006.

My commission expires 3 MARCH 18, 2012.



Jason E. Henderson
Notary Public

This instrument prepared by:

John C. Stump
Steptoe & Johnson PLLC
Post Office Box 1588
Charleston, West Virginia 25326
(304) 353-8000

06.21.06
847280.00004

STATE OF WEST VIRGINIA, Putnam
County Commission Clerk's Office
06/30/2006. The foregoing Miscellaneous
together with the certificate of its
acknowledgment, was this day presented
in said office and admitted to record.

Teste: John C. Stump Clerk



Doc ID: 000418050004 Type: DEE
 Recorded: 06/30/2006 at 03:32:51 PM
 Fee Amt: \$6.00 Page 1 of 4
 Excise Tax: \$0.00
 Putnam County Clerk
 Brian Wood County Clerk
 BK **466** PG **992-995**

ASSIGNMENT OF RIGHTS OF WAY AND EASEMENTS OF
 NORTH PUTNAM PUBLIC SERVICE DISTRICT

THIS ASSIGNMENT OF RIGHTS OF WAY AND EASEMENTS, made this 30th day of June, 2006, by and between NORTH PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, party of the first part, hereinafter sometimes referred to as the "Assignor," and SOUTH PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, party of the second part, hereinafter sometimes referred to as the "Assignee;"

WHEREAS, Assignor adopted a resolution on July 11, 2003, approving the transfer of the assets of Assignor to Assignee, subject to the Assignee's assumption of the Assignor's Sewer Revenue Bonds, Series 1975 (the "Series 1975 Bonds") and Sewer Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), the approval of the Public Service Commission of West Virginia and the approval of the bondholders of the Districts;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 25, 2003, approved transfer of the assets of Assignor to Assignee; and

WHEREAS, the West Virginia Water Development Authority, as bondholder of the Series 1993 Bonds and certain of Assignee's outstanding bonds, and the United States of America, acting through the Rural Utilities Service of the United States Department of Agriculture, as bondholder of the Series 1975 Bonds and certain of Assignee's outstanding

Return to:
 Real Estate Department
 Steptoe & Johnson, PLLC
 PO Box 1588
 Charleston, WV 25326-1588

bonds, have approved the transfer of the assets of Assignor to Assignee and the assumption of the Series 1975 Bonds and the Series 1993 Bonds by the Assignee, and the Public Service Board of North Putnam Public Service District is hereby executing and delivering this Assignment of Rights of Way and Easements to evidence the transfer of all right, title and interest in and to any and all rights of way and easements owned by, or reserved to, North Putnam Public Service District to South Putnam Public Service District.

WITNESSETH, that for the sum of Ten and 00/100 Dollars (\$10.00), cash in hand paid by the Assignee to the Assignor, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby grant, sell, bargain, assign, transfer, set over, deliver and convey to Assignee all of its right, title and interest in and to any and all rights of way and easements, together with all appurtenant improvements, rights, and privileges, owned by, or reserved to, North Putnam Public Service District. The intent of this conveyance is to convey to Assignee any and all Rights of Way and Easements which Assignor may have, whether or not documents conveying same to Assignor have been recorded in the Office of the Clerk of the County Commission of Putnam County, to which Assignor had an interest.

Pursuant to the provision of the West Virginia Code Section 11-22-1, Assignor declares that this conveyance is not subject to the excise tax on the privilege of transferring real property as the transfer is from a political subdivision of the State of West Virginia.

IN WITNESS WHEREOF, North Putnam Public Service District has hereto caused its corporate name to be signed and its corporate seal to be affixed hereto by its proper officer thereunto duly authorized, all as of the day and year first hereinabove written.

NORTH PUTNAM PUBLIC SERVICE DISTRICT

[SEAL]

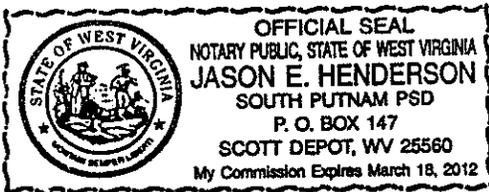
By: *Gary Sigman*
Its: Chairman

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

I, JASON E. HENDERSON, a Notary Public in and for the
County and State aforesaid, do certify that GARY SIGMAN, Chairman, who
signed the writing hereto annexed, bearing date the 30th day of June, 2006, for NORTH
PUTNAM PUBLIC SERVICE DISTRICT, a public corporation, has this day in my said
County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand and official seal this 22 day of June, 2006.

My commission expires MARCH 18, 2012.



J. E. Henderson
Notary Public

This instrument prepared by:

John C. Stump
Steptoe & Johnson PLLC
Post Office Box 1588
Charleston, West Virginia 25326
(304) 353-8000

06.21.06
847280.00004

STATE OF WEST VIRGINIA, Putnam
County Commission Clerk's Office
06/30/2006. The foregoing together with
the certificate of its acknowledgment, was
this day presented in said office and
admitted to record.

Teste: J. E. Henderson Clerk

Doc ID: 000418080004 Type: ASG
Recorded: 06/30/2006 at 03:35:08 PM
Fee Amt: \$6.00 Page 1 of 4
Putnam County Clerk
Brian Wood County Clerk
BK **43** PG **814-817**

ASSIGNMENT OF JUDGMENTS OF
NORTH PUTNAM PUBLIC SERVICE DISTRICT

THIS ASSIGNMENT OF JUDGMENTS, made this 30th day of June, 2006, by and between NORTH PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, party of the first part, hereinafter sometimes referred to as the "Assignor," and SOUTH PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, party of the second part, hereinafter sometimes referred to as the "Assignee;"

WHEREAS, Assignor adopted a resolution on July 11, 2003, approving the transfer of the assets of Assignor to Assignee, subject to the Assignee's assumption of the Assignor's Sewer Revenue Bonds, Series 1975 (the "Series 1975 Bonds") and Sewer Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), the approval of the Public Service Commission of West Virginia and the approval of the bondholders of the Districts;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 25, 2003, approved transfer of the assets of Assignor to Assignee; and

WHEREAS, the West Virginia Water Development Authority, as bondholder of the Series 1993 Bonds and certain of Assignee's outstanding bonds, and the United States of America, acting through the Rural Utilities Service of the United States Department of Agriculture, as bondholder of the Series 1975 Bonds and certain of Assignee's outstanding bonds, have approved the transfer of the assets of Assignor to Assignee and the

Return to: Real Estate Department
Stephens & Johnson, PLLC
PO Box 1588
Charleston, WV 25326-1588

assumption of the Series 1975 Bonds and the Series 1993 Bonds by the Assignee, and the Public Service Board of North Putnam Public Service District is hereby executing and delivering this Assignment of Judgments to evidence the transfer of all right, title and interest in and to any and all judgments obtained in the course of collecting debts due North Putnam Public Service District to South Putnam Public Service District.

WITNESSETH, that for the sum of Ten and 00/100 Dollars (\$10.00), cash in hand paid by the Assignee to the Assignor, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby assign, transfer, set over and deliver to Assignee all of its right, title and interest in and to any and all judgments obtained in the course of collecting debts due North Putnam Public Service District.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, North Putnam Public Service District has caused its name to be signed and its corporate seal to be affixed hereto by its proper officer thereunto duly authorized, all as of the day and year first hereinabove written.

NORTH PUTNAM PUBLIC SERVICE DISTRICT

[SEAL]

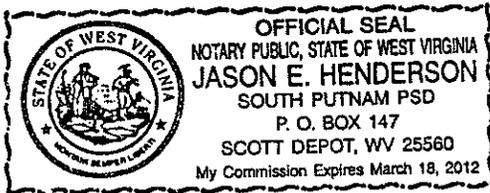
By: *Ray Sigman*
Its: Chairman

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

I, JASON E. HENDERSON, a Notary Public in and for the
County and State aforesaid, do certify that GARY SIMON, Chairman, who
signed the writing hereto annexed, bearing date the 30th day of June, 2006, for NORTH
PUTNAM PUBLIC SERVICE DISTRICT, a public corporation, has this day in my said
County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand and official seal this 22 day of June, 2006.

My commission expires MARCH 18, 2012.



Jason E. Henderson
Notary Public

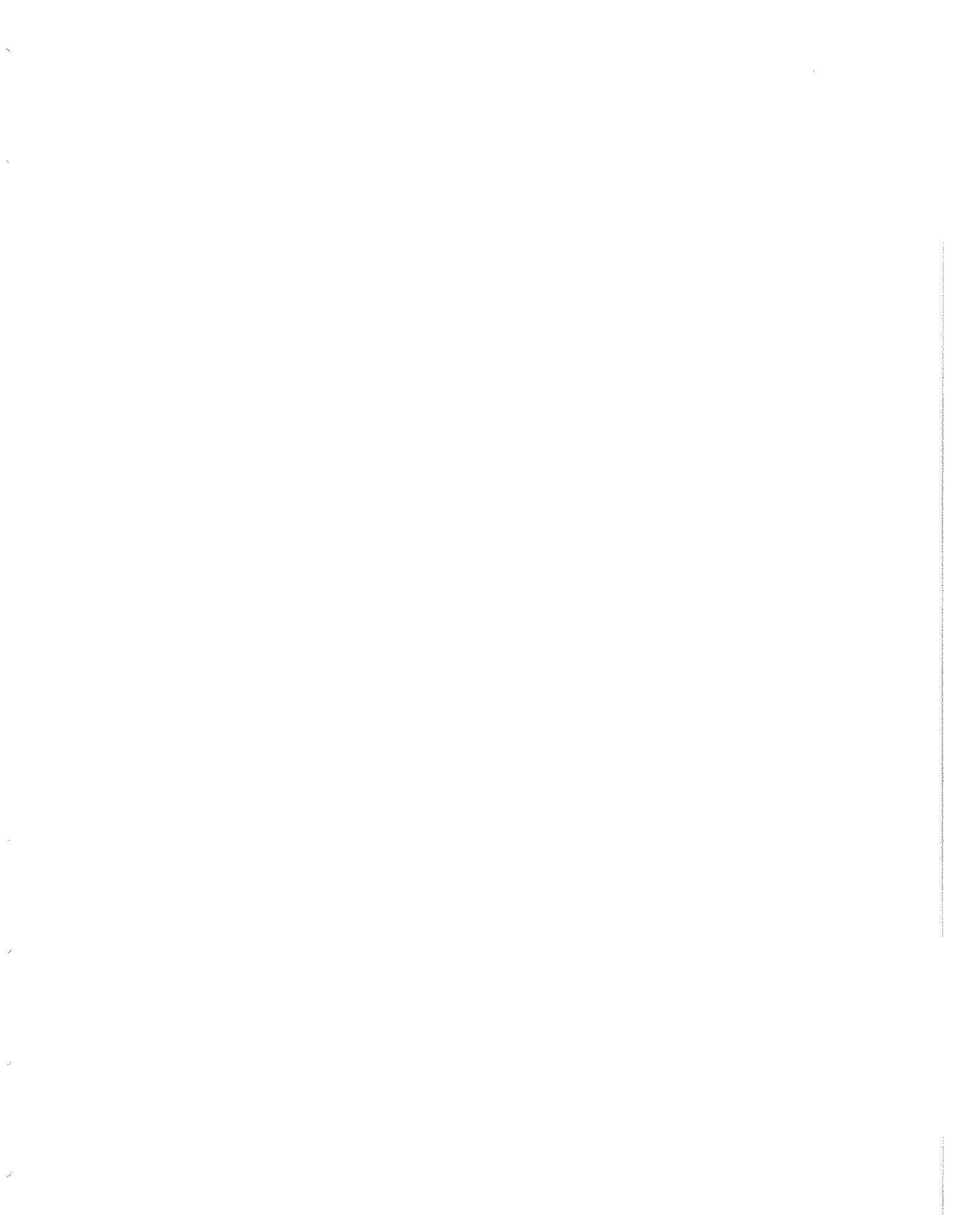
This instrument prepared by:

John C. Stump
Steptoe & Johnson PLLC
Post Office Box 1588
Charleston, West Virginia 25326
(304) 353-8000

06.21.06
847280.00004

STATE OF WEST VIRGINIA, Putnam
County Commission Clerk's Office
06/30/2006. The foregoing Assignment
together with the certificate of its
acknowledgment, was this day presented
in said office and admitted to record.

Teste: Jim Wood Clerk





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

June 30, 2006

Transfer and Assumption by and between
North Putnam Public Service District and South Putnam Public Service District and
Name Change of South Putnam Public Service District to Putnam Public Service District

Putnam Public Service District
Scott Depot, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Rural Utilities Service
United States Department of Agriculture
Morgantown, West Virginia

Ladies and Gentlemen:

We have acted as bond counsel in connection with the acquisition of the assets of the sewerage system of North Putnam Public Service District (hereinafter "North Putnam") by South Putnam Public Service District (hereinafter "South Putnam"), in Putnam County, West Virginia, the assumption and re-designation of the North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated October 23, 1975, issued in the original aggregate principal amount of \$605,000, originally issued under the name "East Kanawha Public Service District" (the "Series 1975 Bonds") and the North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$267,000 (the "Series 1993 Bonds" and, collectively with the Series 1975 Bonds, the "Assumed Bonds") by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District", all pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act").

We have examined the applicable provisions of the Act, the Resolutions of The County Commission of Putnam County duly adopted on April 22, 2003, July 8, 2003, April 25, 2006 and June 27, 2006, the Resolutions of North Putnam duly adopted on July 11, 2000 and June 22, 2006, and the Resolution of South Putnam duly adopted on June 27, 2006 (collectively the "Resolutions"), pursuant to and under which Act and Resolutions the assets of North Putnam (the "Assets") are being conveyed to

22

CH746479.4

Putnam County Public Service District, et al.

June 30, 2006

Page 2

South Putnam, the bonds of North Putnam are assumed and re-designated by South Putnam, North Putnam is dissolved, the boundaries of South Putnam are expanded and the name of South Putnam Public Service District is changed to "Putnam Public Service District."

As to questions of fact material to our opinion, we have relied upon the representations of The County Commission of Putnam County, North Putnam and South Putnam, contained in the Resolutions and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. 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 County Commission of Putnam County, South Putnam and North Putnam have duly adopted all necessary resolutions and orders in connection with the transfer of the Assets, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam, the dissolution of North Putnam, the expansion of the boundaries of South Putnam, the change of the name of South Putnam Public Service District to "Putnam Public Service District" and the re-designation of the Bonds (as hereinafter defined).

2. The conveyance of all assets of North Putnam to South Putnam has been duly authorized by North Putnam. As of the date hereof, South Putnam PSD holds valid title to all assets, including, but not limited to, real and personal property, formerly of North Putnam PSD.

3. South Putnam has assumed all obligations under, and responsibility for the payment of the principal of and interest on, the Series 1975 Bonds and the Series 1993 Bonds. The assumption of the Series 1975 Bonds and the Series 1993 Bonds has been duly authorized by South Putnam and the Assumed Bonds are valid, legally enforceable and binding obligations of South Putnam enforceable in accordance with their terms and the resolutions approving the Assumed Bonds. The Assumed Bonds are secured by a first lien on and a pledge of the Net Revenues of the System and a first priority statutory mortgage lien on the System, on a parity with each other and with the lien of South Putnam's (i) Sewer Revenue Bonds, Series 1979, dated September 12, 1980, issued in the original aggregate principal amount of \$2,200,000 (the "Series 1979 Bonds"), (ii) Sewer Revenue Bonds, Series 1995, dated May 2, 1995, issued in the original aggregate principal amount of \$1,300,000 (the "Series 1995 Bonds"), (iii) Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated March 7, 2002, issued in the original aggregate principal amount of \$7,078,000, (iv) Sewer Revenue Bonds, Series 2002 B (West Virginia SRF Program), dated March 7, 2002, issued in the original aggregate principal amount of \$1,422,000, (v) Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture, dated May 12, 2006, issued in the original aggregate principal amount of \$4,946,000, and (vi) Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture, dated May 12, 2006, issued in the original aggregate principal amount of \$2,104,000 (collectively referred to herein as the "Bonds").

4. The dissolution of North Putnam Public Service District and the expansion of the boundaries of South Putnam Public Service District are now effective.

5. The change of the name of South Putnam Public Service District to "Putnam Public Service District" is effective as of the date hereof and the Bonds are now designated as obligations of Putnam Public Service District.

6. The Series 1975 Bonds have been re-designated by Putnam Public Service District as follows:

Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture) (formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture)).

7. The Series 1993 Bonds have been re-designated by Putnam Public Service District as follows:

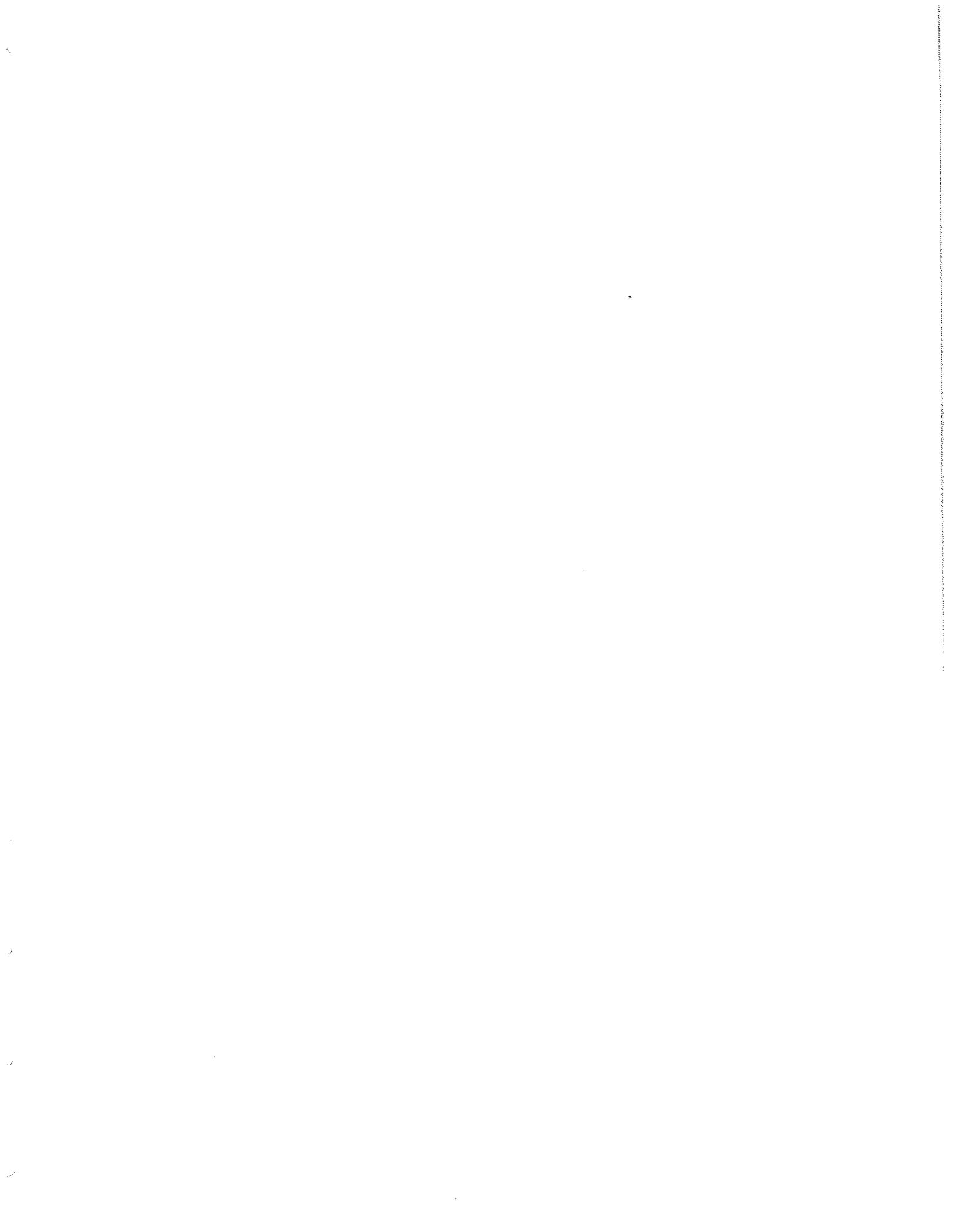
Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program) (formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program)).

8. Putnam Public Service District has reserved the right to issue additional bonds ranking on a parity with the Bonds, the Series 1975 Bonds and the Series 1993 Bonds

Very truly yours,



STEPTOE & JOHNSON PLLC



LAW OFFICES
ROBERT R. RODECKER
BB&T SQUARE
300 SUMMERS STREET, SUITE 1230
POST OFFICE BOX 3713

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OF COUNSEL
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CHARLESTON, WEST VIRGINIA 25337

June 30, 2006

AREA CODE 304
343-1654

FACSIMILE
343-1657

Transfer and Assumption by and between
North Putnam Public Service District and South Putnam Public Service District
and Name Change of South Putnam Public Service District
to Putnam Public Service District

South Putnam Public Service District
Scott Depot, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Rural Utilities Service
United States Department of Agriculture
Morgantown, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I have acted as counsel to South Putnam Public Service District ("South Putnam") and North Putnam Public Service District ("North Putnam") in connection with the acquisition of the assets of the sewerage system of North Putnam by South Putnam, the assumption and re-designation of the North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated October 23, 1975, issued in the original aggregate principal amount of \$605,000, originally issued under the name "East Kanawha Public Service District" (the "Series 1975 Bonds") and North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$267,000 (the "Series 1993 Bonds") by South Putnam, the dissolution of North Putnam, the expansion

of the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District", all pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act").

I have examined the applicable provisions of the Act, the Resolutions of The County Commission of Putnam County (the "County Commission") duly adopted on April 22, 2003, July 8, 2003, April 25, 2006 and June 27, 2006, the Resolutions of North Putnam duly adopted on July 11, 2000 and June 22, 2006, and the Resolution of South Putnam duly adopted on June 27, 2006 (collectively the "Resolutions"), pursuant to and under which Act and Resolutions the assets of North Putnam (the "Assets") are being conveyed to South Putnam, the Series 1975 Bonds and the Series 1993 Bonds are assumed and re-designated by South Putnam, North Putnam is dissolved, the boundaries of South Putnam are expanded and the name of South Putnam Public Service District is changed to "Putnam Public Service District."

Based upon the foregoing, and upon my examination of such other documents, instruments and certificates as I have deemed necessary, I am of the opinion, under existing law, as follows:

1. South Putnam is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia, with corporate power to acquire the assets of North Putnam, to assume the Series 1975 Bonds and the Series 1993 Bonds, to effectuate the change of its name, to re-designate the Series 1975 Bonds and the Series 1993 Bonds of North Putnam and to operate and maintain the System, all under the Act and other applicable provisions of law. The members and officers of the Public Service Board of South Putnam have been duly and properly appointed and elected, have taken the requisite oaths and were, as of the date of their official actions, authorized to act on behalf of South Putnam in their respective capacities.

2. The Resolution of South Putnam has been duly adopted by the Public Service Board of the District and is in full force and effect.

3. North Putnam is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia, with corporate power to transfer its assets to South Putnam and to assign the Series 1975 Bonds and the Series 1993 Bonds, all under the Act and other applicable provisions of law. The members and officers of the Public Service Board of North Putnam have been duly and properly appointed and elected, have taken the requisite oaths and were, as of the date of their official actions, authorized to act on behalf of North Putnam in their respective capacities.

4. The Resolutions of North Putnam have been duly adopted by the Public Service Board of the District and are in full force and effect.

5. The consummation of the transactions contemplated by the Resolutions 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 South Putnam, a breach of or default under any resolution, agreement or other instrument to which South Putnam is a party or any existing law, regulation, court order or consent decree to which South Putnam is subject.

6. To the best of my knowledge, based upon my limited representation of North Putnam only as to matters related to the South Putnam, the consummation of the transactions contemplated by the Resolutions 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 North Putnam, a breach of or default under any resolution, agreement or other instrument to which North Putnam is a party or any existing law, regulation, court order or consent decree to which North Putnam is subject.

7. South Putnam, North Putnam and the County Commission have received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the conveyance of the Assets from North Putnam to South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam, the dissolution of North Putnam, the expansion of the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District," including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia. South Putnam, North Putnam and the County Commission have, as applicable, received the Final Order and Commission Order of the Public Service Commission of West Virginia entered on September 25, 2003 and June 7, 2006, respectively, in Case No. 03-1042-PSWD-PC, approving the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District," and the Final Order of the Public Service Commission of West Virginia entered on November 5, 2003, in Case No. 03-0536-PSWD-PC, approving the dissolution of North Putnam and the expansion of the boundaries of South Putnam. The time for appeal of all such Orders have expired prior to the date hereof.

8. 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 transaction contemplated by the Resolutions, the conveyance of all assets of North Putnam to South Putnam, the assumption and re-designation of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam, the dissolution of North Putnam, the

South Putnam Public Service District, et al.
June 30, 2006
Page 4

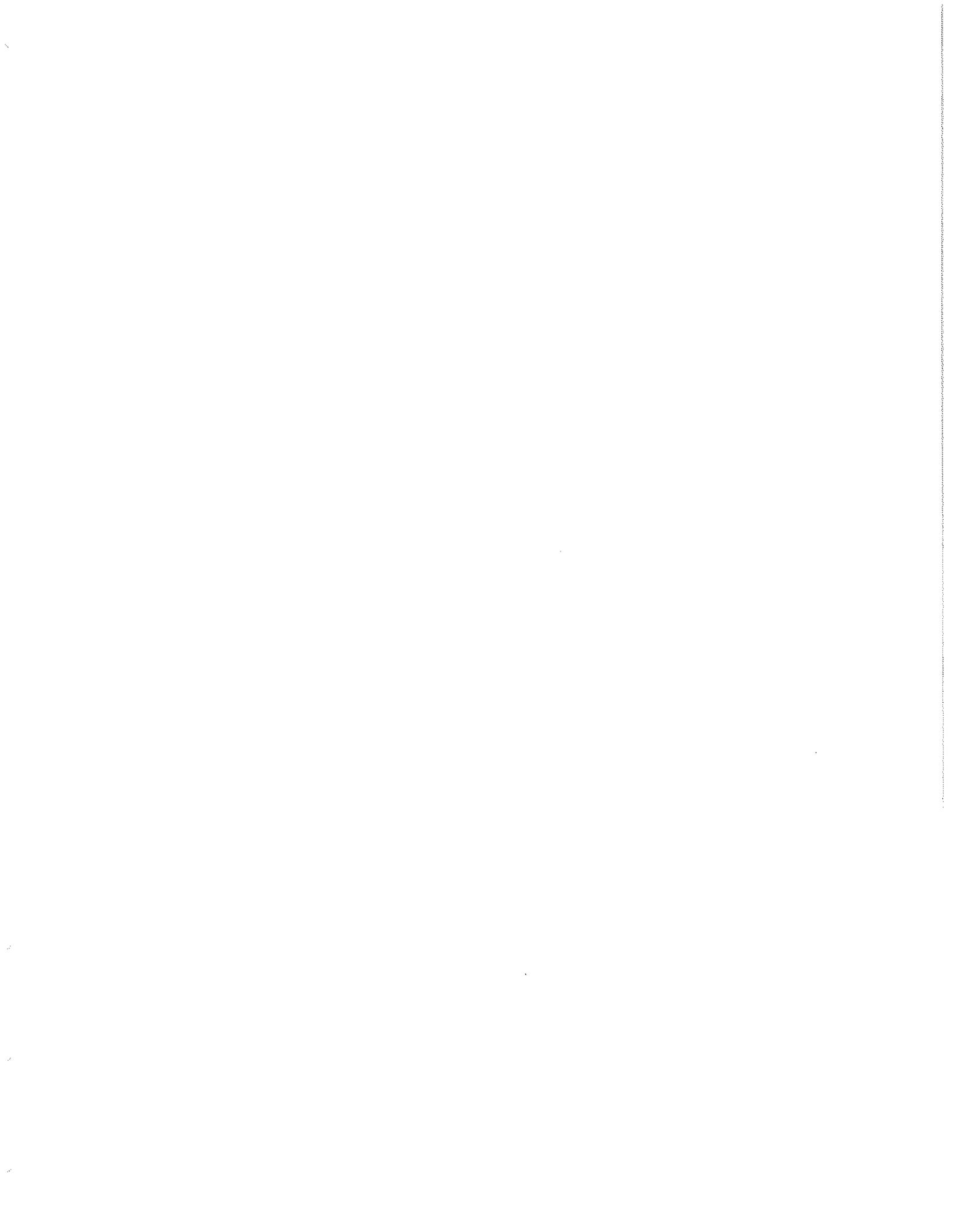
expansion of the boundaries of South Putnam, the change of the name of South Putnam, the operation of the System, the collection of the Gross Revenues of South Putnam or the pledge of the Net Revenues of South Putnam for the payment of the Series 1975 Bonds and the Series 1993 Bonds.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Robert R. Rodecker". The signature is written in a cursive style with a large initial 'R'.

Robert R. Rodecker



RALPH W. BASSETT, JR.
ATTORNEY AT LAW

1156 South Main Street
Milton, West Virginia 25541
Telephone: (304) 743-5573
Fax: (304) 743-1150 Toll Free: 1-800-720-9629
e-mail: ralphwb@charterinternet.com

June 27, 2006

South Putnam Public Service District
Scott Depot, WV 25560

West Virginia Water Development Authority
Charleston, WV 25311

West Virginia Department of
Environmental Protection
Charleston, WV 25301

Step toe & Johnson PLLC
Charleston, WV 25322

Re: Final Title Opinion for South Putnam Public Service District

Ladies and Gentlemen:

We are counsel to South Putnam Public Service District (the "Issuer") in connection with a proposed acquisition of the assets of North Putnam Public Service District (the "Acquisition"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Water Development Authority and the United States Department of Agriculture - Rural Utilities Service (collectively, the "Lenders") for the Acquisition. Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and validly existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia to consummate the Acquisition, as approved by the Lenders.
2. We have investigated and ascertained the location of, and are familiar with the legal description of, the assets of North Putnam Public Service District, including easements and/or rights of way.

South Putnam Public Service District
West Virginia Department of Environmental Protection
West Virginia Water Development Authority
Steptoe & Johnson PLLC
June 27, 2006
Page 2

3. We have examined the records on file in the Office of the Clerk of the County Commission of Putnam County, West Virginia, the county in which the Acquisition is to occur, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the assets of North Putnam Public Service District, including all easements and/or rights of way.

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

Very truly yours,


Ralph W. Bassett, Jr.

BASSETT & LOWE
CERTIFIED PUBLIC ACCOUNTANTS

1156 South Main Street
Milton, West Virginia 25541
Telephone: (304) 743-5573
Fax: (304) 743-1150 Toll Free: 1-800-720-9629
e-mail: ralphwb@charterinternet.com (Ralph W. Bassett, Jr.)
e-mail: rodlowe@charterinternet.com (Rodman G. Lowe)

June 30, 2006

South Putnam Public Service District
Scott Depot, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of
Environmental Protection
Charleston, West Virginia

United States Department of Agriculture,
Rural Utilities Service
Morgantown, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Final Order of the Public Service Commission of West Virginia entered March 17, 2004, in Case No. 03-1041-PSD-42T, with regard to North Putnam Public Service District ("North Putnam") and the Final Order of the Public Service Commission of West Virginia entered December 4, 2005, in Case No. 05-1146-PSD-CN with regard to South Putnam Public Service District ("South Putnam"), which rates are to remain in effect upon the acquisition of the assets of North Putnam by South Putnam and the assumption by South Putnam of the North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated October 23, 1975, issued in the original aggregate principal amount of \$605,000, originally issued under the name "East Kanawha Public Service District" (the "Series 1975 Bonds") and the North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$276,000 (the "Series 1993 Bonds") pursuant to the Commission Order of the Public Service Commission of West Virginia entered on September 25, 2003, in Case Number 03-1042-PSWD-PC and projected operation and maintenance expenses and anticipated customer usage as furnished to us by North Putnam and South Putnam, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage collection and treatment system (the "System") of South Putnam, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on all obligations secured by or payable from the revenues of the System, including the (i) Sewer Revenue Bonds, Series 1979, dated September 12, 1980, issued in the original aggregate principal

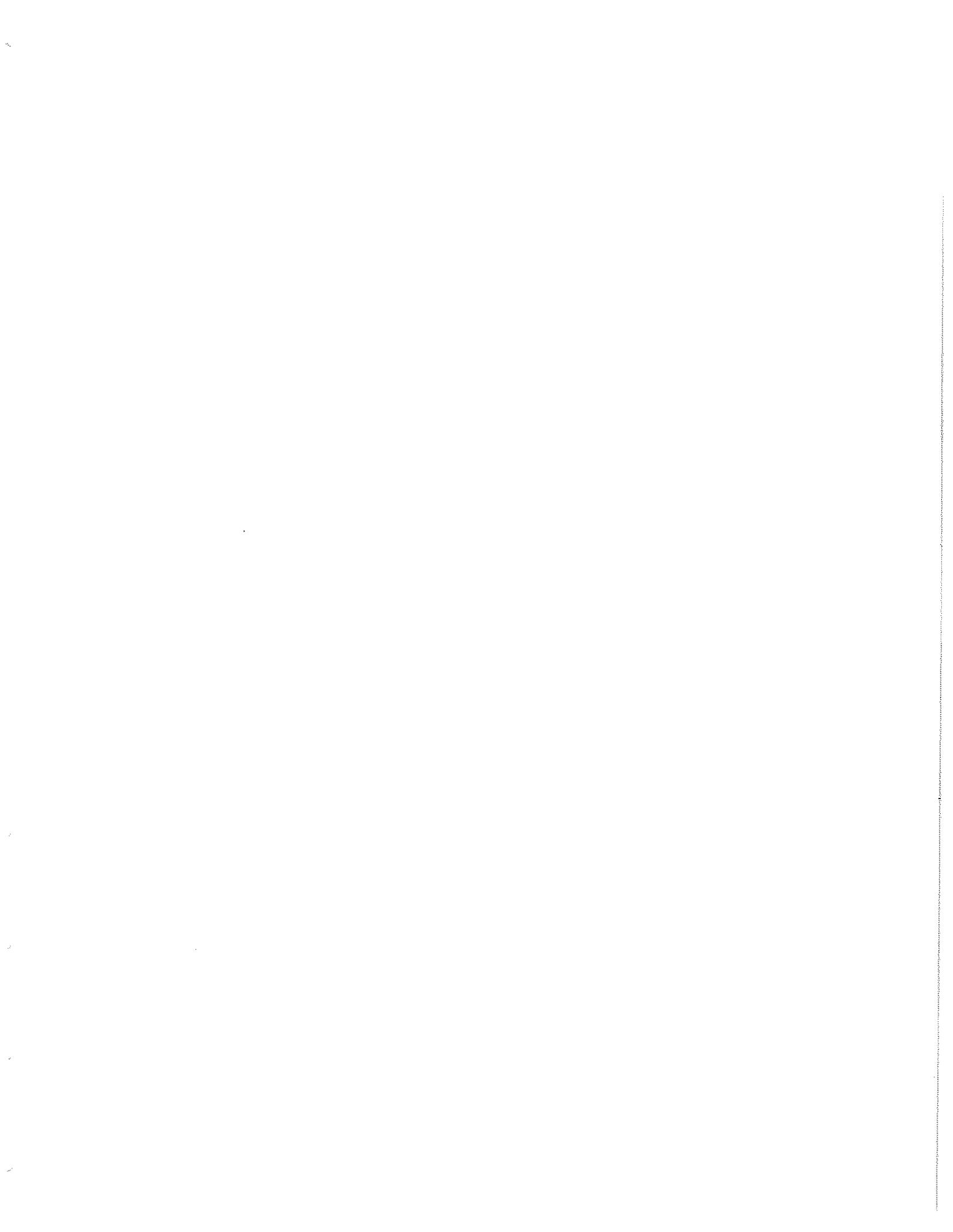
amount of \$2,200,000 (the "Series 1979 Bonds"), (ii) Sewer Revenue Bonds, Series 1995, dated May 2, 1995, issued in the original aggregate principal amount of \$1,300,000 (the "Series 1995 Bonds"), (iii) Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated March 7, 2002, issued in the original aggregate principal amount of \$7,078,000 (the "Series 2002 A Bonds"), (iv) Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated May 12, 2006, issued in the original aggregate principal amount of \$4,946,000, (v) Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture), dated May 12, 2006, issued in the original aggregate principal amount of \$2,104,000, all held by the Rural Utilities Service, (vi) Sewer Revenue Bonds, Series 2002 B (West Virginia SRF Program), dated March 7, 2002, issued in the original aggregate principal amount of \$1,422,000, (vii) the Series 1975 Bonds, and (viii) the Series 1993 Bonds (collectively, the "Outstanding Bonds").

It is my further opinion that (i) the Net Revenues for the Fiscal Year following the date hereof will be at least 120% of the average annual debt service requirements on the Outstanding Bonds and that (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date hereof, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Outstanding Bonds.

Very truly yours,



Ralph W. Bassett, Jr.



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

NEW ISSUE REPORT FORM

Date of Report: June 30, 2006

ISSUE: Putnam Public Service District Sewer Revenue Bonds, Series 1993 (Formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1993)

ADDRESS: P. O. Box 147, Scott Depot, WV 25560 COUNTY: Putnam

PURPOSE OF ISSUE: New Money: N/A
Refunding: N/A REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: March 30, 1993 CLOSING DATE: March 30, 1993

ISSUE AMOUNT: \$267,000 RATE: 0%

1ST DEBT SERVICE DUE: N/C 1ST PRINCIPAL DUE: N/C

1ST DEBT SERVICE AMOUNT: N/C PAYING AGENT: Municipal Bond Commission

MERGER BOND

COUNSEL: Steptoe & Johnson PLLC
Contact Person: John C. Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS

COUNSEL: _____
Contact Person: _____
Phone: _____

ISSUANCE BOND

COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: 304.340.1318

ESCROW TRUSTEE:

Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Mike McNulty
Position: General Manager
Phone: 304.757.6551

OTHER: Water Development Authority

Contact Person: Daniel B. Yonkosky
Function: Executive Director
Phone: (304) 558-3612

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

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____ Wire _____ To Escrow Trustee: \$ _____
_____ Check _____ To Issuer \$ _____
_____ IGT _____ To Cons. Invest. Fund \$ _____
_____ To Other: _____ \$ _____

NOTES: Change in obligor on North Putnam Public Service District Sewer Revenue Bonds, Series 1993, following the assumption of the Bonds by South Putnam Public Service District and re-designation as Putnam Public Service District Sewer Revenue Bonds, Series 1993.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

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

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

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

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

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

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