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June 13, 2008

Tennerton Public Service District
Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

Terry Gould, Manager
Tennerton Public Service District
188 Fayette Street
Buckhannon, West Virginia

Dear Mr. Gould:

Enclosed is the transcript of closing documents for the above-referenced financing for the Tennerton Public Service District. For auditing purposes, the District should keep the transcript on file until the Bonds mature. Upon receipt, should you have any questions, please call me.

It was a pleasure working with you and the Board. We look forward to working with you again.

My best regards.

Very truly yours,

John Stump

JCS/rmc
Enclosures
cc: Distribution List (attached)

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TENNERTON PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

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TENNERTON PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

DATE OF CLOSING: APRIL 17, 2008

BONDS TRANSCRIPT

STEPTOE & JOHNSON PLLC

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TENNERTON PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

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TENNERTON PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

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TENNERTON PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF TENNERTON PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY TENNERTON PUBLIC SERVICE DISTRICT OF NOT MORE THAN $1,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 A (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF TENNERTON 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 Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Tennerton Public Service District (the "Issuer") is a public corporation, public service district and political subdivision of the State of West Virginia in Upshur County of said State, duly created pursuant to the Act by The County Commission of Upshur County.

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

A. The Issuer currently owns and operates a public sewerage system and desires to finance and acquire, construct, operate and maintain certain additional public service properties consisting of additions, improvements and extensions to such existing sewerage facilities with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, improvements and extensions to the existing sewerage facilities of the Issuer, consisting of extension of sewer collection system in Upshur County to serve approximately 130 new customers , together with all necessary appurtenant facilities (the "Project"), 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 (the "Governing Body") of the Issuer. The existing sewerage facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (hereinafter defined) and all funds and accounts and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is $2,400,000 of which $1,400,000 will be obtained from the proceeds of sale of the Series 2008 A Bonds, $950,000 will be obtained from the proceeds of a grant from the Purchaser, and $50,000 will be contributed by the Issuer.

E. It is necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture), in the aggregate principal amount of $1,400,000 (the "Series 2008 A Bonds"), to finance the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2008 A Bonds prior to, during and for six months after completion of such acquisition and construction of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the acquisition and construction

of the properties and the placement of same in operation; provided that, reimbursement to the Issuer for any amounts expended by it for the repayment of indebtedness incurred for costs of the Project by the Issuer shall be deemed costs of the Project.

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

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge and source of and security for payment being the Issuer's (i) Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated September 18, 1997, issued in the original aggregate principal amount of $585,627 (the "Series 1997 A Bonds"), (ii) Sewer Revenue Bonds, Series 2001 A, dated September 13, 2001, issued in the original aggregate principal amount of $370,000 (the "Series 2001 A Bonds"), and (iii) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated March 12, 1986, issued in the original aggregated principal amount of $169,883 (the "Series 1986 B Bonds") (collectively called the "Prior Bonds.")

The Issuer is not in default under the terms of the Prior Bonds, or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

H. It is in the best interest of the Issuer that the Series 2008 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions, dated April 11, 2007, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2008 A Bonds, or will have so complied prior to issuance of the Series 2008 A Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2008 A Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2008 A Bonds.

Section 1.04. Definitions. In addition to capitalized terms defined elsewhere herein, the following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended.

"Bond Legislation" means this Resolution and all resolutions supplemental hereto and amendatory hereof.

"Bond Registrar" means the Issuer, which shall usually so act by its Secretary.

"Bonds" means, collectively, the Series 2008 A Bonds and the Prior Bonds.

"Chairman" means the Chairman of the Governing Body.

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

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02 (F) hereof.

"Depository Bank" means Freedom Bank, Belington, Barbour County, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "sewerage facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

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

"Governing Body" means the Public Service Board of the Issuer.

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

"Grants" means, collectively, all grants committed for the Project.

"Herein" or "herein" means in this Bond Legislation.

"Issuer," "Borrower" or "District" means Tennerton Public Service District, a public service district, a public corporation and a political subdivision of the State of West Virginia, in Upshur County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means the Letter of Conditions of the Purchaser dated April 11, 2007, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2008 A Bonds in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and 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 principles 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; provided that, all monthly amortization payments upon the Bonds and into all funds and accounts have been made to the last monthly payment date prior to the date of such retention.

"Prior Bonds" means, collectively, the Series 1997 A Bonds, the Series 2001 A Bonds, and the Series 1986 B Bonds.

"Prior Bonds Reserve Accounts" means, collectively, the respective reserve accounts created for the Prior Bonds, as more fully described and defined in the Prior Resolutions.

"Prior Resolutions" means, collectively, the resolutions of the Issuer, respectively, adopted authorizing the issuance of the Prior Bonds.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said

time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

"Registered Owners," "Bondholders," "Holders of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"Resolutions" means, collectively, the Prior Resolutions and the Bond Legislation.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, 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 Governing Body.

"Series 1997 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated September 18, 1997, issued in the original aggregate principal amount of $585,627.

"Series 2001 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2001 A, dated September 13, 2001, issued in the original aggregate principal amount of $370,000.

"Series 1986 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated March 12, 1986, issued in the original aggregate principal amount of $169,883.

"Series 2008 A Bonds" or "Series 2008 Bonds" means the Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture) authorized hereby to be issued pursuant to this Bond Legislation.

"Series 2008 A Bonds Reserve Account" means the Series 2008 A Bonds Reserve Account established by Section 4.01 hereof.

"System" means the complete public sewerage system of the Issuer, presently existing in its entirety or any integral part thereof, and shall include the Project and any improvements and extensions thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF REFUNDING ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $2,400,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2008 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds . Subject and pursuant to the provisions of the Bond Legislation, the Series 2008 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture)" is hereby authorized to be issued in the aggregate principal amounts $1,400,000 for the purpose of financing the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2008 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2008 A Bonds shall bear interest from the date of delivery, payable monthly at the rate of 4.125% per annum, and shall be sold for the par value thereof. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $6,090, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond.

The Series 2008 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond forms hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds The Series 2008 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2008 A Bonds, and the right to principal of and stated interest on the Series 2008 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2008 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2008 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2008 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2008 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 2008 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2008 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2008 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2008 A Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Series 2008 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2008 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2008 A Bonds shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2008 A Bonds shall cease to be such officer of the Issuer before the Series 2008 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2008 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2008 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the

Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2008 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2008 A Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2008 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2008 A Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2008 A Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 2008 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
TENNERTON PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,400,000

No. AR-1 Date: _____

FOR VALUE RECEIVED, TENNERTON PUBLIC SERVICE DISTRICT (herein called "Issuer") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, 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 _____ ($_____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, 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 Issuer as requested by Issuer and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part 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 Issuer. Refunds and extra payments, as defined in the regulations of the Government 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 Issuer to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Issuer 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 Issuer 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 Issuer, 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 Issuer 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 Issuer to the Government without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Issuer 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 additions, extensions and improvements to the sewerage system (the "System") of the Issuer, 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 Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Issuer, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolutions and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Issuer duly adopted _____, 2008, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Issuer 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, Issuer 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 Issuer made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE ISSUER:

(1) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 18, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $585,627 (THE "SERIES 1997 A BONDS");

(2) SEWER REVENUE BONDS, SERIES 2001 A, DATED SEPTEMBER 13, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $370,000 (THE "SERIES 2001 A BONDS"); AND

(3) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 12, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $169,883.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a

purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IN WITNESS WHEREOF, TENNERTON PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

TENNERTON PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. A. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and from each other:

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

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

(3) Series 2008 A Bonds Project Construction Account;

B. Establishment of Funds and Accounts with Commission. The following special funds or accounts are created with (or continued if previously established by the Prior Resolutions) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and from each other:

(1) Series 1997 A Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(2) Series 1997 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(3) Series 2001 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(4) Series 1986 B Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(5) Series 1986 B Bonds Reserve Account (established by Prior Resolution and continued hereby); and

(6) Series 2008 A Bonds Reserve Account.

Section 4.02. Bond Proceeds; Project Construction Accounts. The proceeds of the sale of the Series 2008 A Bonds shall be deposited upon receipt by the Issuer in the Series 2008 A Bonds Project Construction Account. The monies in the Series 2008

A Bonds Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2008 A Bonds Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2008 A Bonds Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2008 A Bonds Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Series 2008 A Bonds, if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, money and funds in the Series 2008 A Bonds Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2008 A Bonds Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as any of the Series 2008 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2008 A Bonds Reserve Account a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2008 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Series 2008 A Bonds 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 Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Resolutions 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 provided in the Resolutions.

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, subject to the provisions of the Prior Resolutions not otherwise modified herein:

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

(2) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously remit to (i) the Commission the amounts required by the Prior Resolutions to first pay interest on the Series 1997 A Bonds; (ii) to the Holder of the Series 2001 A Bonds the amount required by Prior Resolution to pay interest on the Series 2001 A Bonds; and (iii) the National Finance Office, the amounts required to pay the interest on the Series 2008 A Bonds. All payments with respect to interest on the Series 2008 A Bonds and the Prior Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously remit to (i) the Commission the amounts required by the Prior Resolutions to pay principal on the Series 1997 Bonds and Series 1986 B Bonds; (ii) to the Holder of the Series 2001 A Bonds amounts required by the Prior Resolutions to pay principal on the Series 2001 A Bonds and (iii) the National Finance Office, the amounts required to pay the principal on the Series 2008 A Bonds. All payments with respect to principal of the Series 2008 A Bonds and the Prior Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit (i) to the Commission the amounts required by the Prior Resolutions to be deposited in the Prior Bonds Reserve Accounts; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2008 A Bonds Reserve Account, 10% of the monthly payment amount, calculated monthly, until the amount in the Series 2008 A Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into

the Series 2008 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve. Monies in the Series 2008 A Bonds Reserve Account shall be used solely to make up any deficiency for the respective monthly payments of the principal of and interest on the Series 2008 A Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2008 A Bonds, or for mandatory prepayment of the Series 2008 A Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the Series 2008 A Bonds Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

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

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

Whenever the money in the Series 2008 A Bonds Reserve Account shall be sufficient to prepay the Series 2008 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding,

to prepay the Series 2008 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2008 A Bonds Reserve Account. All amounts required for the Series 2008 Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund shall constitute a Trust Fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2008 Bonds and the interest thereon, on a parity with the Prior Bonds.

The Series 2008 A Bonds Reserve Account shall constitute trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2008 A Bonds and the interest thereon, on a parity with the Prior Bonds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2008 Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

Subject to the Prior Resolutions, the Commission shall keep the monies in the Series 2008 A Bonds Reserve Account invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which

such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2008 Bonds Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually by the Commission to the Issuer and deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2008 Bonds, provide evidence that there will be at least 791 bona fide users upon the System on completion, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Depository Bank and the Commission such additional sums as shall be necessary to pay the charges and fees of the Depository Bank or the Commission then due.

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

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

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Series 2008 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2008 Bonds Reserve Account, sums sufficient to prepay the entire principal of the Series 2008 Bonds 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 Issuer and the Holder of the Series 2008 Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates and coverage as required in the Prior Resolutions. The Issuer 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 Series 2008 Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts 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 5.03. Sale of the System . So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolutions. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2008 Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or ObligationsSo long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser and the Holders of the Prior Bonds.

So long as the Series 2008 Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Purchaser.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Resolutions with respect to the Series 2008 Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Resolutions.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2008 Bonds remain outstanding, 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, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the

operation of the System, such insurance to be procured not later than the date of delivery of the Series 2008 Bonds.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer 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 for the Issuer.

(d) Workers' 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 have been or 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 Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer; however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2008 Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the

Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2008 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2008 Bonds.

Section 5.07. 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 upon the Series 2008 Bonds at the date specified for payment thereof;

(b) Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2008 Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

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

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser 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 Purchaser, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2008 Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2008 Bonds are 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 30 days prior to the beginning of each Fiscal Year, the Issuer 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 Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st 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 next year preceding by more than 10%; 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 Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member 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 hereof.

Section 5.11. Covenant to Proceed and Complete . The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 5.12. Books and Records; Audits The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer 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 Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.13. Maintenance of System. The Issuer 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 Series 2008 Bonds are outstanding.

Section 5.14. No Competition. To the extent legally allowable, the Issuer 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 Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; RulesA. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the Final Order of the Public Service Commission of West Virginia, entered on October 31, 2007, Case No. 07-0827-PSD-CN, which Final Order is incorporated herein by reference as a part hereof.

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. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

D. The Issuer 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 Issuer 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 Issuer 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. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 2008 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2008 Bonds, the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2008 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2008 Bonds, the Issuer may not defease the Series 2008 Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 2008 Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof 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 severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2008 Bonds.

Section 7.05. Conflicting Provisions Repealed The Prior Resolutions and all parts thereof not expressly hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Resolutions.

Except for the Prior Resolutions, all resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. 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 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time . This Resolution shall take effect immediately upon its adoption.

Adopted this 15th day of April, 2008.

TENNERTON PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of TENNERTON PUBLIC SERVICE DISTRICT on the 15th day of April, 2008.

Dated: April 17, 2008.

[SEAL]

Secretary

893440.00001

TENNERTON PUBLIC SERVICE DISTRICT, WEST VIRGINIA

NOTE AND BOND SERIES 1986 A and B RESOLUTION

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NOTE, BOND AND LINE OF CREDIT RESOLUTION

Introduced to the Board	Referred to
_____	_____
Introduced by	Passed by the Board
_____	_____

A Resolution authorizing the acquisition and construction of public sewerage collection and transmission facilities for the Tennerton Public Service District (herein the "PSD") and the financing of the cost not otherwise provided, thereof, through the issuance by the PSD of not more than $402,000 in aggregate principal amount of Tennerton Public Service District Sewer Revenue Bonds, Series 1986 A, not more than $198,000 in aggregate principal amount of Tennerton Public Service District Sewer Revenue Bonds, Series 1986 B and not more than $1,100,000 in aggregate principal amount of Tennerton Public Service District Sewerage System Grant Anticipation Notes, Series 1986; authorizing the PSD to enter into an agreement with a banking institution for the extension of credit to borrow not more than $500,000 outstanding at any one time to defray certain costs attendant to the Project (herein defined) providing for the rights and remedies of and security for the registered owners of such Bonds and Notes; authorizing execution and delivery of a trust indenture securing the Notes; authorizing the sale and providing for the terms and provisions of such Bonds and Notes and adopting other provisions relating thereto.

Be It Resolved by the Board of the Public Service Board of the Tennerton Public Service District, West Virginia:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. The following terms shall have the following meanings in this Resolution unless the context expressly required otherwise:

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

B. "Authority" means the West Virginia Water Development Authority, or any other agency of the State of West

Virginia that succeeds to the functions of the Authority, which shall be the original purchaser of the Tennerton Public Service District's Sewer Revenue Bonds, Series 1986 originally authorized hereby; provided, however, that the Tennerton Public Service District must satisfy the legal and other requirements of the Program, as hereinafter defined.

C. "Authorized Officer" means the Chairman of the Tennerton Public Service District or any other officer of said Board specifically designated by resolution of the Board of the Public Service District.

D. "Board" means the Public Service Board of Tennerton Public Service District or any other governing body of the PSD that succeeds to the functions of the Board.

E. "Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01(4) hereof.

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

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

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

I. "Chairman" means the Chairman of the Public Service Board of the PSD.

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

K. "Consulting Engineers" means Kelley, Gidley, Blair & Wolfe, Consulting Engineers, 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 PSD as consulting engineers for the System, as hereinafter defined.

L. "Costs" or "Costs of the Project" means those costs described in Subsection 1.03(E) hereof to be a part of the costs of construction and acquisition of the Project.

M. "County" means Upshur County, West Virginia.

N. "Depository Bank" means the 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, and any successor thereto, as designated in the Supplemental Resolution.

O. "Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

P. "EPA" means the United States Environmental Protection Agency or any successor to the functions of the EPA.

Q. "EPA Grant" or "Grant" means the grant from the EPA pursuant to the commitment therefor.

R. "Event of Default" means any occurrence or event specified in Section 9.01.

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

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

U. "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.

V. "Grant Agreement" means a written commitment for the payment of the EPA Grant specifying the amount of such grant, the terms and conditions upon which such grant is made and the date or dates or event or events upon which grant is to be paid to the PSD.

W. "Grant Receipts" means all moneys received by the PSD on account of the Grant after the date of issuance of the Notes.

X. "Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does

not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article VIII hereof) or any fee or charge established, levied and collected by the PSD from persons at the time of, and for the privilege of, making service connections to the System, as hereinafter defined, and for the furnishing by the PSD of miscellaneous service.

Y. "Independent Certified Public Accountants" means the certified public account or firm of certified public accounts that shall at any time hereafter be retained by the PSD to prepare an independent annual or special audit of the accounts of the System, as hereinafter defined, or for any other purpose except keeping the accounts of such System in the normal operation of its business and affairs.

Z. "Indenture" or "Trust Indenture" means the Trust Indenture between the PSD and the Trustee relating to the Notes, as hereinafter defined, and all supplements or amendments thereto.

AA. "Line of Credit" means the agreement made by and between the PSD and a banking institution authorized to conduct banking business in the State of West Virginia whereby the banking institution agrees to extend to the PSD from time to time credit to borrow not more than $500,000 outstanding at any one time to defray the construction costs of the Project and for such other purposes permitted hereby and authorized by a resolution supplemental hereto.

BB. "Loan Agreement" means the loan agreement to be entered into between the PSD and the Authority, pursuant to which the Authority shall agree, subject to the PSD's satisfying certain legal and other requirements, to purchase the Bonds originally authorized hereby with a portion of the proceeds of the Authority's bonds issued with respect to the Program, as hereinafter defined.

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

DD. "Noteholder", "Holder of the Notes", or "Holder of the GANs" or any similar term means any person who shall be the registered owner of any outstanding Note or Notes as hereinafter defined.

EE. "Notes" or "GAN" means the not more than $1,100,000 in aggregate principal amount of Sewerage System

Grant Anticipation Notes, Series 1986, originally authorized hereby, and unless the context clearly indicates otherwise, the terms "Notes" or "GAN" includes any refunding Notes or GAN of the PSD.

FF. "Notes Capitalized Interest Account" means the Notes Capitalized Interest Account within the Notes Debt Service Fund established by Subsection 4.01(2)(a) of the Indenture.

GG. "Notes Construction Trust Fund" means the Notes Construction Trust Fund established by Section 4.01(1) of the Indenture.

HH. "Notes Cost of Issuance Account" means the Notes Cost of Issuance Account within the Notes Construction Trust Fund established by Subsection 4.01(1)(a) of the Indenture.

II. "Notes Debt Service Fund" means the Notes Debt Service Fund established by Subsection 4.01(2) of the Indenture.

JJ. "Note Registrar" means the bank to be designated as such in the Supplemental Resolution and its successors and assigns.

KK. "Operating Expenses", unless qualified, 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 Cost of the Project, fees and expenses of fiscal agents, Registrars, Paying Agents, Trustee and the Depository Bank, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds or Notes, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

LL. "Operation and Maintenance Fund" means the Operation and Maintenance Fund established by Section 5.01(2) hereof.

MM. "Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean the not more than $600,000 in

total aggregate principal amount of Sewer Revenue Bonds, Series 1986 A and B, 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, which Bonds shall be issued in one or more series as determined by a resolution or resolutions supplemental hereto and which are originally authorized hereby. The 1986 Series A Bonds shall not exceed more than $402,000 in aggregate principal amount and the 1986 Series B Bonds shall not exceed more than $198,000 in aggregate principal amount.

NN. "Original Notes Purchaser" means collectively, Young, Moore & Company of Charleston, West Virginia and Russell, Rea & Zappala, Inc. of Pittsburgh, Pennsylvania, as the original purchaser of the Notes.

OO. "Other Grants" means any other grant or grants, other than the EPA Grant, from whatever source, received by the PSD to aid in financing the costs of the Project.

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

QQ. "Paying Agent" means the bank or banks designated as such for the Bonds and/or the Notes in the Supplemental Resolution.

RR. "Program" means the Authority's loan program, under which the Authority purchases the revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority or any successor to said Program as currently constituted.

SS. "Project" means the acquisition and construction of a sewerage collection and transmission system of the PSD, to be designed by the Consulting Engineers and to be constructed

in accordance with the plans and specifications so designed, subject to the provisions of Section 2.01 hereof.

TT. "PSC" means the Public Service Commission of West Virginia or any other agency of the State that succeeds to the functions of the PSC.

UU. "PSD" means the Tennerton Public Service District, a public corporation of the State of West Virginia, and where appropriate the Public Service Board thereof.

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that 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;

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

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

(h) The Investment Agreement by and between the Trustee and the bank designated as "Investment Bank" in the Supplemental Resolution.

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

XX. "Registrar" means as appropriate, either the Bond Registrar or the Note Registrar or both.

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

ZZ. "Reserve Account" means the Tennerton Public Service District Sewer Revenue Bonds, Series 1986 Reserve Account established in the Sinking Fund, as hereinafter defined, by Section 5.02(1)(a).

AAA. "Reserve Requirement" means as of any date of calculation the maximum amount of principal and interest which will become due on the Bonds in any succeeding Fiscal Year.

BBB. "Resolution" means this Resolution, as hereafter amended or supplemented.

CCC. "Revenue Fund" means the Tennerton Public Service District Sewer Revenue Bonds, Series 1986 Revenue Fund, to be created pursuant to Section 5.01(1).

DDD. "Secretary" means the Secretary of the Tennerton Public Service District.

EEE. "Series 1986 A Bonds" means the not more than $402,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1986 A, of the PSD.

FFF. "Series 1986 A Bonds Reserve Account" means the Series 1986 A Bonds Reserve Account established in the Series 1986 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

GGG. "Series 1986 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1986 A Bonds in any succeeding Fiscal Year.

HHH. "Series 1986 A Bonds Sinking Fund" means the Series 1986 A Sinking Fund established by Section 5.02 hereof.

III. "Series 1986 B Bonds" means the not more than $198,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1986 B, of the PSD.

JJJ. "Series 1986 B Bonds Reserve Account" means the Series 1986 B Bonds Reserve Account established in the Series 1986 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

KKK. "Series 1986 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1986 B Bonds in any succeeding Fiscal Year.

LLL. "Series 1986 B Bonds Sinking Fund" means the Series 1986 B Sinking Fund established by Section 5.02 hereof.

MMM. "Sinking Fund" means the Tennerton Public Service District Sewer Revenue Bonds, Series 1986 Sinking Fund established by Section 5.02(1).

NNN. "State" means the State of West Virginia.

OOO. "Supplemental Resolution" means any resolution of the Board amending or supplementing this Resolution and, when preceded by the article "the", refers specifically to the Supplemental Resolution authorizing the sale of the Notes and the Supplemental Resolution authorizing the sale of the Original Bonds, and the Supplemental Resolution authorizing the Line of Credit and the extension of the credit to the PSD thereunder, as the case may be; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Notes, Original Bonds, or the Line of Credit, as the case may be, and not so included may be included in another Supplemental Resolution.

PPP. "Surplus Revenues" means the Net Revenues not required by the Resolution to be set aside and held for the payment of or security for the Bonds or any other obligation of the PSD, including the Renewal and Replacement Fund and the Reserve Account, the proceeds of such Bonds or other obligations which are used to pay costs of the Project.

QQQ. "System" means the complete properties of the PSD for the collection, transportation and transmission for treatment of liquid or solid wastes, sewerage or industrial wastes, in its entirety or any integral part thereof, and shall include the Project, and any further additions, betterments and improvements thereto hereafter constructed or acquired for said system from any sources whatsoever.

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

SSS. "Trustee" means the banking institution designated as trustee under the Indenture in the Supplemental Resolution and its successors and assigns.

TTT. 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.

UUU. Words importing singular number include the plural number in each case and vice versa; words importing the masculine or neuter gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

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

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

Section 1.02. Authority of this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The PSD desires to acquire, construct and operate a public sewerage collection and transmission system consisting of some or all of collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations, and ejector stations and all other appurtenances, extensions, additions and improvements necessary, appropriate, useful, convenient or incidental for the collection and transmission to a sewage treatment facility of sewage and industrial wastes in a sanitary manner.

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the PSD that the Project be acquired and constructed at an estimated cost of $2,463,635, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the office of the Clerk of the County Commission of Upshur County, and the office of the PSD.

C. It is deemed necessary for the PSD to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $600,000 in two series, being the Series 1986 A Bonds in the aggregate principal of not more than $402,000 and the Series 1986 B Bonds in the aggregate principal amount of not more than $198,000 (collectively, the Bonds) and contemporaneously therewith, or as soon as practicable thereafter, to issue its Sewerage System Grant Anticipation Notes, Series 1986 in the principal amount of not more than $1,100,000 to finance costs of construction and acquisition of the Project. Additionally, it is deemed necessary to authorize the PSD to enter into an agreement with a banking institution for the extension of credit to the PSD in an amount not to exceed $500,000 at any one time to defray certain costs attendant to the Project. All of said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes, Bonds, and Line of Credit prior to and during construction or acquisition and for six months after completion of construction of the Project; engineering, and legal expenses; expenses for estimates of cost and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incident to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any

thereof, including, with respect to the Notes, any commitment fees to a bank or banks for the issuance of letters of credit, and any costs of obtaining insurance thereon; provided, that reimbursement to the PSD for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the PSD for such purposes, shall be deemed Costs of the Project.

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

E. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient to provide for the costs of the operation and maintenance of said system, the principal of and interest on the Original Bonds and all Sinking Fund, Reserve Account, Renewal and Replacement Fund and other payments provided for herein.

F. It is in the best interests of the PSD that its Original Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement to be entered into between the PSD and the Authority, in form satisfactory to the PSD and the Authority.

G. There are not outstanding any obligations of the PSD which will rank prior to or on a parity with the Bonds and the Notes as to lien and source of and security for payment.

H. The PSD has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, the Notes and the Line of Credit, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the GANs and the Bonds authorized to be issued hereunder by those who shall respectively hold the same from time to time, as well as the acceptance of the Line of Credit by the banking institution extending such credit to the PSD, this Resolution shall be deemed to be and shall constitute a contract between the PSD and such Noteholders or Bondholders or banking institution, and the covenants and agreements herein set forth to be performed by the PSD shall be for the equal benefit, protection and security of the legal Holders of any and all of such Notes or Bonds or banking institution as the case may be.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project in accordance with plans and specifications therefor prepared by the Consulting Engineers and filed with the office of the Clerk of the County Commission of Upshur County, West Virginia and the office of the PSD.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purpose of paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, and for such other purposes as may be set forth in Supplemental Resolutions, there shall be issued negotiable Original Bonds of the PSD, in a total aggregate principal amount of not more than $600,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1986 A," in the aggregate principal amount of not more than $402,000 and "Sewer Revenue Bonds, Series 1986 B," in the aggregate amount of $198,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Notes. The proceeds of the Bonds (excluding accrued interest) remaining after capitalization of interest, if any, and payment of the costs of issuance thereof and related costs shall be deposited in the Bond Construction Trust Fund established by Section 5.01(4) hereof.

Section 3.02. Terms of Bonds. The Bonds shall bear interest from the original date of delivery to the payee thereof at such rate or rates, not exceeding 13% per annum, or such other rate as shall then be the legal maximum, payable semi-annually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, but only with the express written consent of the West Virginia Water Development Authority, all as the PSD shall prescribe in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Commission, through a Paying Agent or Paying Agents selected by the original purchaser or purchasers thereof, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of

public or private debts under the laws of the United States of America. Interest on the Bonds, shall be paid by check or draft mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each Series, both fully registered to the Authority, with a payment record attached, representing the aggregate principal amount of the Original Bond issue and both shall mature in principal installments, all as provided in the Supplemental Resolution. Said Original 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. The registered Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the PSD by the Chairman, and the seal of the PSD shall be affixed thereto or imprinted thereon and attested by the Secretary. The signature of the Chairman and the Secretary may be manual or by facsimile. 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 PSD 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 PSD by such person as at the actual time of the execution of such Bonds shall hold the proper office in the PSD, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication on such Bond, substantially in the form set forth in Section 3.09, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication upon any such Bond shall

be conclusive evidence that such Bond has been authenticated and registered, and delivered under this Resolution. The Certificate of Authentication 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 on all of the Bonds issued hereunder.

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

So long as any of the Bonds remain outstanding, the PSD, 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 Bonds or transferring the registered 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 or Bonds, the Bond Registrar may make a change 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 PSD. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the fifteen (15) days preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

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

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

Section 3.08. Bonds Secured by Pledge of Net Revenues; Series 1986 B Bonds to be Junior and Subordinate to Series 1986 A Bonds. The payment of the debt service of all the Series 1986 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1986 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1986 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Fund, and the Reserve Account therein, hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Series 1986 A Bonds and the Series 1986 B Bonds,

respectively, shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1986 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TENNERTON PUBLIC SERVICE DISTRICT, UPSHUR COUNTY
SEWER REVENUE BONDS, SERIES 1986 A

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the Tennerton Public Service District, a public corporation and a political subdivision of the State of West Virginia in Upshur County of said State, (the "PSD"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority or registered assigns (the "Payee") the sum of _____ ($_____), in installments on _____ 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with final maturity of this Bond on the 1st day of _____, _____ with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor and until payment of such installment, and such interest shall be payable on the 1st day of _____, and the 1st day of _____ in each year beginning _____ 1, 19___. The principal of this Bond is 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 West Virginia Municipal Bond Commission, Charleston, West Virginia, through _____, as registrar and paying agent (the "Registrar"). The interest on this Bond is payable by check or draft mailed to the

registered owner hereof at the address as it appears on the books of the Registrar on the ____ day of the month preceding an interest payment date.

[REDEMPTION PROVISIONS]

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the West Virginia Water Development Authority.

This Bond is issued (i) to pay costs of acquisition and construction of sewerage collection, transportation and transmission facilities of the PSD and the financing of the cost not otherwise provided, thereof (the "Project") (the Project, together with any improvements and extensions thereto, is hereinafter referred to as the "System") and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and the Resolution duly adopted by the PSD on the _____ day of _____, 1986, as supplemented on _____, 19___, (collectively 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 is issued contemporaneously with the Sewer Revenue Bonds, Series 1986 B, of the PSD (the "Series 1986 B Bonds") issued in the aggregate principal amount of $198,000, which Series 1986 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this series.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, moneys in the Reserve Account created under the Resolution for the Bonds of this Series (the "Series 1986 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This

Bond does not constitute a corporate indebtedness of the PSD or County within the meaning of any constitutional or statutory provisions or limitations, nor shall the PSD or County be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1986 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the PSD 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 proper and reasonable expenses of operation, repair, replacements and maintenance of the System, and to leave a balance of 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 payable from such revenues, provided however, that so long as there exists in the Series 1986 A Bonds Reserve Account sufficient moneys to pay the maximum amount of principal and interest which will become due on the Series 1986 A Bonds in any succeeding fiscal year, such percentage may be reduced to 110%. The PSD 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.

This Bond is transferable, as provided in the Resolution, only upon the books of the Bond Registrar, kept for that purpose at the office of the Bond Registrar by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Payee or its attorney duly authorized in writing.

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 or to the appurtenant Sinking Fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the Holder of this Bond.

This Bond and the interest thereof is exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

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 PSD, 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 PSD for the prompt payment of the principal of and interest on this Bond.

All provisions of the Resolution and statues 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, the TENNERTON PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereto affixed or imprinted hereon and attested by its Secretary, and has caused this Bond to be dated _____, 1986.

TENNERTON PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Its: Chairman

ATTEST:

By: _____
Its: Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1986 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth below:

Dated: _____

_____,
as Bond Registrar

By: _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

_____

_____ the Sewer Revenue Bond, Series 1986 A, dated _____ of the Tennerton Public Service District, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Public Service District with full power of substitution in the premises.

Dated: _____, _____

_____

In the presence of:

_____

[Form of Series 1986 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TENNERTON PUBLIC SERVICE DISTRICT, UPSHUR COUNTY
SEWER REVENUE BONDS, SERIES 1986 B

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the Tennerton Public Service District, a public corporation and a political subdivision of the State of West Virginia in Upshur County of said State, (the "PSD"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority or registered assigns (the "Payee") the sum of _____ ($_____), in _____ equal installments of $_____ each, on _____ 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with a final maturity on this Bond on the 1st day of _____, _____, all with no interest thereon.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through _____ _____, as registrar and paying agent (the "Registrar").

This Bond may be redeemed prior to its stated date of maturity in whole or in part of any time, but only with the express written consent of West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of sewerage collection, transportation and transmission facilities of the PSD and the financing of the cost not otherwise provided, thereof (the "Project") (the Project, together with any improvements and extensions thereto, is hereinafter referred to as the "System") and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of

West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and the Resolution duly enacted by the PSD on the _____ day of _____, 1986, as supplemented on _____, 19___, (collectively 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 is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on the Series 1986 A Bonds herein described, moneys in the Reserve Account created under the Resolution for the Bonds of this Series (the "Series 1986 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the PSD or County within the meaning of any constitutional or statutory provisions or limitations, nor shall the PSD or County be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1986 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the PSD 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 proper and reasonable expenses of operation, repair, replacements and maintenance of the System, and to leave a balance of 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 payable from such revenues, provided however, that so long as there exists in the Series 1986 B Bonds Reserve Account and the reserve account established for the Series A Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on all obligations payable from such net revenues which may be issued in any succeeding fiscal year, such percentage may be reduced to 110%. The PSD 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.

This Bond is transferable, as provided in the Resolution, only upon the books of the Bond Registrar, kept for that purpose at the office of the Bond Registrar by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Payee or its attorney duly authorized in writing.

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 or to the appurtenant Sinking Fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the Holder of this Bond.

This Bond and the interest thereon is exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1986 A, OF THE PSD, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE RESOLUTION (THE "SERIES 1986 A BONDS").

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the PSD, 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 PSD for the prompt payment of the principal of and interest on this Bond.

All provisions of the Resolution and statues 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, the TENNERTON PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereto affixed or imprinted hereon and

attested by its Secretary, and has caused this Bond to be dated _____, 1986.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1986 B Bonds described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth below:

Dated: _____ _____,
as Bond Registrar

By: _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

_____

_____ the Sewer Revenue Bond, Series 1986 B, dated _____ of the Tennerton Public Service District, West Virginia and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Public Service District with full power of substitution in the premises.

Dated: _____, _____

_____

In the presence of:

_____

Section 3.10. Sale of Original Bonds; Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement and the Program. The Chairman is specifically authorized and directed to execute the Loan Agreement in such form as may be approved by Supplemental Resolution, and the Secretary is directed to affix the seal of the PSD, attest the same and deliver the Loan Agreement to the Authority.

ARTICLE IV

NOTES AND LINE OF CREDIT

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the PSD shall issue and sell its Notes in the aggregate principal amount of not to exceed $1,100,000. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture and the Supplemental Resolution.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, with such terms and secured in the manner set forth in the Indenture (which Indenture in substantially the form to be executed and delivered by the PSD is attached hereto as "Exhibit A" and made a part hereof).

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the PSD payable as to principal and interest solely from the respective sources described in the Granting Clauses and Article III of the Indenture. The Notes do not and shall not constitute a corporate indebtedness of the PSD or County within the meaning of any constitutional or statutory provisions or limitations. The general funds of the PSD or County are not liable, and neither the full faith and credit nor the taxing power of the PSD or County is pledged for the payment of the Notes. The Noteholders shall never have the right to compel the forfeiture of any property of the PSD or County. The Notes shall not be a debt of the PSD or County, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the PSD or County or upon any of its income, receipts or revenues except as set forth in the Indenture.

Section 4.04. Letters of Credit. As additional security for the Notes, the PSD may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $500,000 in the aggregate. In the event of a draw under any such letter of credit, the PSD shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

Section 4.05. Authorization and General Terms of the Line of Credit. In order to pay certain Costs of the Project pending receipt of the Grant Receipts the PSD may enter into an agreement with a banking institution for the extension of credit not to exceed $500,000 in principal amount outstanding at any one time during the period of construction of the Project. The Line of Credit shall bear interest from the date, at such rate, payable on such date, shall mature on such date and be subject to such repayment as shall be provided for in the Supplemental Resolution. Provided, however, the rate of interest on the Line of Credit shall not exceed 12% per annum.

Section 4.06. Line of Credit as Special Obligation. The Line of Credit provided for and authorized in Section 4.05 above shall be a special obligation of the PSD payable as to principal and interest solely from the respective sources described in the Granting Clauses and Article III of the Indenture. Borrowing under the Line of Credit does not and shall not constitute corporate indebtedness of the PSD or County within the meaning of any constitutional or statutory provisions or limitations. The general funds of the PSD or County are not liable and neither the full faith and credit nor taxing power of the PSD or County is pledged for the payment of the Line of Credit. The banking institution extending credit under the Line of Credit shall never have the right to compel the forfeiture of any property of the PSD or County. The Line of Credit shall not be a debt of the PSD or County, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the PSD or County or upon any of their income, receipts or revenues other than as herein provided.

ARTICLE V

SECURITY OF BONDS

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by, the Depository Bank.:

(1) Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Renewal and Replacement Fund; and

(4) Bond Construction Trust Fund.

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

(1) Series 1986 A Bonds Sinking Fund;

(a) Within the Series 1986 A Bonds Sinking Fund, the Series 1986 A Bonds Reserve Account.

(2) Series 1986 B Bonds Sinking Fund;

(a) Within the Series 1986 A Bonds Sinking Fund, the Series 1986 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the PSD and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The PSD shall first, 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) Thereafter, from the moneys remaining in the Revenue Fund, the PSD shall next, on the first day of each month, commencing seven (7) months prior to the first day of payment of interest on the Series 1986 A Bonds from Net Revenues, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1986 A Bonds Sinking Fund, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Series 1986 A Bonds on the next ensuing semi-annual interest payment date, less any investment earnings on sums previously deposited in the Series 1986 A Bonds Sinking Fund for the purpose of making interest payments on the Series 1986 A Bonds; provided, that, in the

event the period to elapse between the date of such initial deposit in the Series 1986 A Sinking Fund and the next semi-annual interest payment date is less than seven (7) months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semi-annual interest payment date, the required amount of interest coming due on such date.

(3) The PSD shall also, on the first date of each month, commencing thirteen (13) months prior to the first date of payment of principal on the Series 1986 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bonds Sinking Fund, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Series 1986 A Bonds on the next ensuing principal payment date, less any investment earnings on sums previously deposited in the Series 1986 A Bonds Sinking Fund for the purpose of making principal payments on the Series 1986 A Bonds.

(4) The PSD shall also, on the first day of each month, commencing thirteen (13) months prior to the first day of payment of principal of the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bonds Reserve Account, an amount equal to one one-hundred and twentieth (1/120) of the Series 1986 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1986 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1986 A Bonds Reserve Requirement.

Moneys in the Series 1986 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1986 A Bonds as the same shall become due. Moneys in the Series 1986 A Bonds Reserve Account in the Series 1986 A Bonds Sinking Fund shall be used only for the purpose of paying principal of or interest on the Series 1986 A Bonds, as the same shall come due, when other moneys in the Series 1986 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1986 A Bonds Reserve Account shall be transferred, not less than once each year, to the Series 1986 A Bonds Sinking Fund and applied in full to the next ensuing principal payment due on the Series 1986 A Bonds.

Any withdrawals from the Series 1986 A Bonds Reserve Account which result in a reduction in the balance of the

Series 1986 A Bonds Reserve Account to below the Series 1986 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1986 A Bonds Sinking Fund for payment of debt service on the Series 1986 A Bonds have been made in full.

(5) The PSD shall not be required to make any further payments into the Series 1986 A Bonds Sinking Fund or into the Series 1986 B Sinking Fund or into the Reserve Accounts in said Sinking Funds when the aggregate amount of funds in both said Sinking Funds and said Reserve Accounts are at least equal to the aggregate principal amount of Bonds issued pursuant to this Resolution then Outstanding; plus the amount of interest due or thereafter to become due as of the next annual payment date on said Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 1986 A Bonds are issued, provision shall be made for additional payments in said Series 1986 A Bonds Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series 1986 A Bonds Reserve Account in said Series 1986 A Bonds Sinking Fund in an amount equal to the maximum provided and required to be paid into the Series 1986 A Bonds Sinking Fund in any Fiscal Year for account of all the Series 1986 A Bonds, including such additional Bonds which by their terms are payable from said Series 1986 A Bonds Sinking Fund.

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

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

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

The respective Sinking Funds, including the respective Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series

1986 A and Series 1986 B Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

(6) Thereafter, from the moneys remaining in the Revenue Fund, the PSD shall next, on the first day of each month, commencing with the month next succeeding the first full calendar month after commencement of operation of the System, transfer to the Renewal and Replacement Fund a sum equal to two and one-half percent (2 1/2%) of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts in the Sinking Funds hereunder. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the PSD or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiency in either Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required by Subsection 5.01(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(7) The PSD shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1986 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1986 B Bonds on the next ensuing principal payment date, less any moneys transferred from he Series 1986 B Bonds Reserve Account for the purpose of making principal payments and investment earnings on sums previously deposited in the Series 1986 B Bonds Sinking Fund for the purpose of making principal payments on the Series 1986 B Bonds.

(8) The PSD shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Bonds, apportion and set apart out of the Revenue Bond and remit to the Commission for deposit in the Series 1986 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1986 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1986 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1986 B Bonds Reserve Requirement.

Moneys in the Series 1986 B Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 1986 B Bonds as the same shall become due. Moneys in the Series 1986 B Bonds Reserve Account in the Series 1986 B Bonds Sinking Fund shall be used only for the purpose of paying principal of the Series 1986 B Bonds, as the same shall come due, when other moneys in the Series 1986 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1986 B Bonds Reserve Account shall be transferred, not less than once each year, to the Series 1986 B Bonds Sinking Fund and applied in full to the next ensuing principal payment due on the Series 1986 B Bonds.

Any withdrawals from the Series 1986 B Bonds Reserve Account which result in a reduction in the balance of the Series 1986 B Bonds Reserve Account to below the Series 1986 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1986 A and Series 1986 B Bonds Sinking Funds for payment of debt service on the Bonds have been made in full.

As and when additional Bonds ranking on a parity with the Series 1986 B Bonds are issued, provision shall be made for additional payments into the Series 1986 B Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series 1986 B Reserve Account in an amount equal to the maximum provided and required to be paid into the Series 1986 B Sinking Fund in any Fiscal Year for account of all the Series 1986 B Bonds, including such additional Series 1986 B Bonds which by their terms are payable from such Sinking Fund.

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

B. Whenever all of the required and provided transfers and payments from the respective Revenue Funds into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Funds a balance in excess of the estimated amounts required to be so transferred and paid into the respective Sinking Funds, including the Reserve Accounts therein, and the Renewal and Replacement Fund during the following month, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues

may be used for any lawful purpose of the PSD, including a pledge to and payment of GANS.

C. The PSD 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 the Depository Bank's charges and the Paying Agent fees then due.

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

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

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

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

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

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

A. Any accrued interest received from the sale shall be deposited in the Sinking Fund and applied to the first interest payment due on the Bonds.

B. The amount of the proceeds which together with the proceeds deposited pursuant to Subsection (A) of this section and together with the earnings thereon, shall be at least sufficient to pay interest on the 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 (6) months after the estimated date of completion of construction of the Project.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project.

D. The Depository Bank shall act as a trustee and fiduciary for the Holder or Holders of the Bonds with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Indenture. Moneys in the Bond Construction Trust Fund shall be used solely to pay costs of the Project and until so expended, are hereby pledged as additional security for the Bonds and are subject to a lien in favor of the Holder or Holders until such proceeds are applied to the construction of the Project, which shall include the repayment of any incidental interim financing for non-construction costs.

ARTICLE VII

ADDITIONAL COVENANTS OF THE PSD

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

Until the payment in full of the principal of and interest on the Notes when due, the covenants, agreements and provisions contained in this Resolution shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the PSD, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture; provided, that Section 7.04 and Section 7.09 shall not be applied to the Notes.

Section 7.02 Bonds, Notes and Line of Credit Not To Be Indebtedness of the PSD. Neither the Bonds, the Notes nor the Line of Credit shall be or constitute a corporate

indebtedness of the PSD or County within the meaning of any constitutional, statutory or charter provision or limitation of indebtedness, but shall be payable solely from the special funds pledged for such payment by this Resolution. No Holder or Holders of any Bonds, Notes or any banking institution extending credit under the Line of Credit herein provided, shall ever have the right to compel the exercise of the taxing power of the PSD or County to pay said Bonds, Notes, or Line of Credit or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1986 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, and payment of the debt service of the Series 1986 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Series 1986 A Bonds, to the extent necessary to make the payments required under Section 5.03 of this Resolution. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 1986 A Bonds and Series 1986 B Bonds and to make the payments into the respective Sinking Funds, including the respective Reserve Accounts therein, and all other payments provided for in this Resolution are hereby irrevocably pledged, in the manner provided in therein, to the payment of the principal of and interest on the Series 1986 A Bonds and the Series 1986 B Bonds as the same become due, and for the purposes provided in this Resolution.

Section 7.04. Initial Schedule of Rates and Charges; Rules. The initial schedule of rates and charges for the services and facilities of the System shall be set forth in the ordinance of the PSD dated _____, 1986.

Section 7.05. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and Notes, if any, Outstanding or any remaining balance of the Line of Credit, or to effectively defease this Resolution in accordance with Section 10.01 hereof and, if not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Fund, and, in the event the Authority is no longer a Bondholder, the PSD shall direct the Commission to apply such proceeds to the payment of principal at maturity of and

interest on the Bonds about to mature. Any balance remaining after the payment of the Series 1986 A and B Bonds and all interest thereon shall be remitted to the PSD by the Commission unless necessary for the payment of other obligations of the PSD payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay in full the Notes shall be remitted to the Trustee for deposit in the Notes Debt Service Fund, to apply to the payment of the Notes, prior to maturity if allowable under the Supplemental Resolution. With respect to the Line of Credit, such proceeds in an amount sufficient to pay in fill the Line of Credit then Outstanding shall be remitted to the banking institution extending credit to the PSD thereunder.

The foregoing provision notwithstanding, the PSD 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 for such properties, is not in excess of $10,000, the PSD shall, by resolution, determine that such property comprising a part of the System is longer necessary, useful or profitable in the operation thereof and may then provide for the same 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 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 PSD shall first determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be 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 be remitted by the PSD to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of these last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. Such payment of such proceeds in the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease, or other disposition of the properties of the System shall be made by

the PSD if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all the Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The PSD shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The PSD shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and this Resolution; and, so long as any of the Bonds are Outstanding, the PSD shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1986 B Bonds only may be issued as provided for in Section 7.07 hereof. All obligations issued by the PSD after the issuance of the Series 1986 A Bonds and the Series 1986 B Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1986 A Bonds and the Series 1986 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current. Provided, however, the foregoing shall not preclude the PSD from entering into the Line of Credit Agreement for the purpose of providing funds for the acquisition and construction of the Project. In this respect, the PSD may provide for a lien equal in rank to the foregoing lien during the period of construction. Provided, further, however, such lien in favor of the banking institution extending credit under the Line of Credit shall, be subordinated to the lien in favor of the Holders of the Bonds, unless the Authority shall otherwise direct.

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

Section 7.07. Additional Parity Bonds. No additional parity Bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided.

No Parity Bonds shall be issued which shall be payable out of revenues of the System prior to or on a parity with the Series 1986 A Bonds. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1986 B Bonds.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No such additional parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any twelve (12) consecutive months, within the eighteen (18) months immediately preceding the date of the actual issuance of such additional 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 and fifteen percent (115%) of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(A) The Bonds then Outstanding;

(B) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(C) The additional parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of three (3) succeeding year", as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such additional parity Bonds and (b) any increase in rates enacted by the PSD, the period for appeal of which has expired prior to the date of delivery of such additional 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 said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the PSD, the period for appeal of which has expired prior to issuance of such additional parity Bonds.

Not later than simultaneously with the delivery of such additional parity Bonds, the PSD shall have entered into written contracts for the immediately construction or acquisition of such additions, betterments or improvements, if any, to the system that are to be financed by such additional parity Bonds.

The term "Additional Parity Bonds", as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the revenues of the System on a parity with the Series 1986 B Bonds, and all the covenants and other provisions of this Resolution (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Additional Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond over any other. The PSD shall comply

fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

All Additional Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Additional 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 both the Series 1986 A Bonds and the Series 1986 B Bonds on such revenues. The PSD shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with either the Series 1986 A Bonds or the Series 1986 B Bonds.

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

Notwithstanding the foregoing, Additional Parity Bonds may be issued solely for the purpose of completing the Project without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the PSD the written consent of the Authority to the issuance of such Additional Parity Bonds.

Section 7.08. Books and Records. The PSD will keep books and records of the System, which shall be separate and apart from and other books, records and accounts of the PSD, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds or of a Note or Notes issued pursuant to this Resolution or the Trustee shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the PSD relating thereto.

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

The PSD shall file with the Consulting Engineers, the Trustee and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, requesting the same, an annual report containing the following:

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

B. A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution and the Indenture with respect to said Bonds or Notes, as the case may be, and the status of all said funds and accounts.

C. The amount of any Bonds, Notes or other obligations outstanding.

The PSD shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and made available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds or Notes, as the case may be, and shall file said report with the Trustee and the Authority, or the then Holder of the Bonds.

Section 7.09. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will

be sufficient for such purposes. The PSD shall take the necessary actions with respect to the imposition of rates at such times and with such provisions with respect to interest rate and maturity of the Bonds to finance the issuance of the Bonds as the purchasers thereof shall require. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the PSD 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 proper and reasonable expenses of operation, repair, replacement and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least one hundred and fifteen percent (115%) of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account, such balance each Fiscal Year need only equal at least one hundred and ten percent (110%) of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 7.10. Operating Budget and Audit. The PSD shall annually, at least forty-five (45) days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which funding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the PSD shall have approved such findings and recommendation by a resolution duly adopted. No increase expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The PSD shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, who shall request in writing that copies of all such budgets and resolutions be furnished him or her and shall made available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all

reasonable times to the Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and on behalf of such Holder of any Bonds or Notes, as the case may be.

In addition, the PSD shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the PSD is in compliance with the terms and provisions of this Resolution and the Loan Agreement.

Section 7.11. No Competing Franchise. To the extent legally allowable, the PSD will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The PSD will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules of the PSD, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other charges, if not paid, shall become a lien on the premises served by the System. The PSD further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and any services and facilities of the water system, if then owned by the PSD, to all delinquent users of services and facilities of the System and will not restore such services of either system until all billing for charges for the services and facilities of the System, plus reasonable interest and penalty charges for the restoration of services, has been fully paid.

Section 7.13. No Free Services. The PSD will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; in the event the PSD, or any department, agency, instrumentality officer or employee or the PSD shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the PSD and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Insurance and Construction Bonds. The PSD hereby covenants and agrees that so long as any of the Bonds or the Notes remain Outstanding, the PSD will, to the extent the same is available, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

B. PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the PSD from claims for bodily injury and/or death and not less than $100,000 per occurrence from claims for damage to property of others which may rise from the operation of the System, and insurance with the same limits to protect the PSD from claims arising out of operation or ownership of motor vehicles of or for the System.

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR: AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of one hundred percent (100%) of the construction contract and to be required of each contractor contracting directly with the PSD, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39 of the West Virginia Code of, 1931, as amended.

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the PSD and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a thirty (30) day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Completion of Project. The PSD will complete the Project and operate and maintain the System in good condition.

Section 7.17. Rebate to the United States. In the event that H. R. 3838 (The Tax Reform Act of 1985) or similar legislation becomes law and is applicable to the Bonds or Notes

or both, the PSD agrees to pay to the United States an amount equal to the sum of the excess of (a) the aggregate amount earned on all nonpurpose investments (other than investments attributable to such excess) over (b) the amount which would have been earned if all nonpurpose investments was invested at a rate equal to the yield on such Bonds or Notes, plus any income attributable to such excess. The amount to be paid to the United States by the PSD shall be paid at such time and place as required by the Act or similar legislation in installments at least once every five years commencing on the fifth anniversary date of the issuance of the Bonds. The last installment shall be paid not later than 30 days after the day on which the last Bond of Note is redeemed or paid.

Section 7.18. Compliance with Tax Laws. On December 17, 1985 The House of Representative passed the Tax Reform Act of 1985 (H. R. 3838). The Senate has yet to act on this legislation. However, the PSD agrees that if H. R. 3838 or similar legislation becomes law and such law is applicable to the Bonds or Notes, this Resolution shall be amended in order to comply with such legislation and in order to maintain the tax exempt status of the Bonds or Notes. In particular, without excluding reference to any other portion of H. R. 3838 that may become law, the PSD hereby covenants that it will expend 5% of the bond proceeds within thirty (30) days of closing on the Bonds.

Section 7.19 Restrictions as to Arbitrage Bonds. The PSD hereby covenants, and hereby so instructs the Bond Commission and the Trustee that they shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the PSD to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and an Authorized Officer of the PSD shall deliver his certificate, based upon this covenant, with regard thereto to the purchaser of the Original Bonds. Further, prior to the time that the City receives an opinion from Bond Counsel that the provisions of H. R. 3838 or any similar legislation is not applicable to the Bonds or Notes, the PSD covenants that other than for a temporary period, the yield on the Bond proceeds shall not exceed the yield on the Bonds by more than .125 on and after such date, which is the date that the Consulting Engineer certifies to the PSD, Bond Counsel and the Authority that the Project is 90% complete.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Except as provided in the Indenture, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount. The Commission, the Trustee, or the Depository Bank, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Trustee or the Depository Bank, 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.

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 or Notes, as the case may be.

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bonds or Notes, as the case may be;

(B) If default occurs in the PSD's observance of any of the covenants, agreements or conditions on its part relating to the Bonds, Notes or Line of Credit set forth in this Resolution, and Supplemental Resolution, the Indenture or in the Bonds, Notes or Line of Credit, and such default shall have continued for a period of 30 days after the PSD shall have been given written notice of such default by the Trustee, the Depository Bank holding any fund or account hereunder the Holder of a Bond or Note or the banking institution extending credit to the PSD under the Line of Credit;

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

An "Event of Default" with respect to the Bonds shall not constitute an Event of Default with respect to the Notes and Line of Credit, and vice versa.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note or Bond or banking institution extending credit under the Line of Credit, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the PSD to perform its duties under the Act and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates of charges for services rendered by the System (iii) bring suit upon the Notes, Bonds or Line of Credit, as the case may be, (iv) by action at law or bill in equity require the PSD to account as if it were the trustee of an express trust for the Registered Owners of the Notes, Bonds or Line of Credit, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Resolution with respect to the Notes, Bonds or Line of Credit, 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 PSD under this Resolution and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds any Registered Owner shall, in addition to all other remedies or

rights, have the right to appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the PSD with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Resolution for Reserve Account, Sinking Fund 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 PSD upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the PSD and for the joint protection and benefit of the PSD and Registered Owners. 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 PSD and Registered Owners 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 PSD, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, or otherwise dispose of any assets of the Systems.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1986 A Bonds. If the PSD pay or cause to be paid, or there shall be otherwise be paid, to the respective Holders of all Series 1986 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manners respectively stipulated therein and in this Resolution, then with respect to the Series 1986 A Bonds only the respective pledge of Net Revenues, and other moneys and securities pledged under this Resolution, and all covenants, agreements and other obligations of the PSD to the Registered Owners of the Series 1986 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1986 A Bonds, for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 1986 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1986 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission, 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, its agent, at the same time, shall be sufficient, to pay when due the respective principal of and interest due and to become due on said Series 1986 A Bonds, on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the respective principal of and

interest on said Series 1986 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, 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 respective principal of and interest to become due on said Bonds, on and prior to such maturity dates thereof, and interest earned from such investments shall be paid over to the PSD as received by the Commission, its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1986 B Bonds. If the PSD shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1986 B Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then with respect to the Series 1986 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the PSD to the Registered Owners of the Series 1986 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1986 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1986 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1986 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due due on said Series 1986 B Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1986 B

Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Series 1986 B Bonds on and prior to the maturity dates thereon, and interest earned from such reinvestments shall be paid over the PSD as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of Notes. If the PSD shall pay or cause to be paid, or these shall otherwise be paid, to the respective Holders of all Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to the Notes only, this Resolution, the Indenture and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the PSD to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Modification or Amendment. 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 Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Notes or Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the PSD to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds or Notes respectively, required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the PSD and the Registered Owners of the Bonds and Notes, and no change, variation or alteration of any kind of

the provisions of this 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 effect any of the remaining provisions of this Resolution.

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

Section 11.05. Amendments to Maintain Tax Exemption. The PSD hereby covenants to make any amendment or supplements to this Resolution and to the Indenture authorized hereby to enable the Notes, Bonds and Line of Credit to be issued in such form as to render the interest thereon exempt from federal income taxation.

Section 11.06. Conflicting Provisions Repealed. All ordinances, orders or resolutions and/or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

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

Section 11.08. Effective Time. This Resolution shall take effect after notice and public hearing hereon in accordance with the Act.

Section 11.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Resolution, determined by the PSD to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publications, in a newspaper of general

circulation in the PSD together with a notice stating that this Resolution has been adopted and that the PSD contemplates the issuance of the Notes and Bonds, and the entering into the Line of Credit, and that any person interested may appear before the Board upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Resolution is on file in the office of the PSD for review by interested parties during the office hours of the PSD.

At such hearing, all objections and suggestions shall be heard and the Board shall take such action as it shall deem proper in the premises.

Adopted this 5th day of ~~February~~ MARCH, 1986.

[SEAL]

John V. McGrew Jr.
Chairman

ATTEST:

William C. Thurman
Secretary

Certified a true copy of a Resolution duly adopted by the Public Service Board of the Tennerton Public Service District this 5th day of March, 1986.

[SEAL]

William C. Thurman
Secretary

RESOLUTION NO. 86-3

Resolution re: AMENDING AND SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE COLLECTION AND TRANSMISSION FACILITIES FOR THE TENNERTON PUBLIC SERVICE DISTRICT (HEREIN "PSD") AND THE FINANCING OF THE COST NOT OTHERWISE PROVIDED, THEREOF, THROUGH THE ISSUANCE BY THE PSD OF NOT MORE THAN $402,000 IN AGGREGATE PRINCIPAL AMOUNT OF TENNERTON PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 1986 A, NOT MORE THAN $198,000 IN AGGREGATE PRINCIPAL AMOUNT OF TENNERTON PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 1986 B AND NOT MORE THAN $1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF TENNERTON PUBLIC SERVICE DISTRICT SEWERAGE SYSTEM GRANT ANTICIPATION NOTES, SERIES 1986; AUTHORIZING THE PSD TO ENTER INTO AN AGREEMENT WITH A BANKING INSTITUTION FOR THE EXTENSION OF CREDIT TO BORROW NOT MORE THAN $100,000 OUTSTANDING AT ANY ONE TIME TO DEFRAY CERTAIN COSTS ATTENDANT TO THE PROJECT (HEREIN DEFINED) PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES: AUTHORIZING EXECTUION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO" PASSED BY THE PUBLIC SERVICE BOARD OF THE TENNERTON PUBLIC SERVICE DISTRICT, UPSHUR COUNTY, WEST VIRGINIA ON MARCH 5, 1986; AND IN THE

AFORE-MENTIONED RESOLUTION IT IS PROVIDED THAT THE MATURITY DATES, INTEREST RATE, INTEREST PAYMENT DATES ON THE BONDS, AS WELL AS THE AGGREGATE PRINCIPAL AMOUNT SHOULD BE ESTABLISHED BY SUPPLEMENTAL RESOLUTION: AND PROVIDING FOR CERTAIN AMENDMENTS TO SAID RESOLUTION; NAMING THE CENTRAL NATIONAL BANK, AS REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK: INSERTING CERTAIN INFORMATION IN BLANKS PROVIDED FOR IN SUCH RESOLUTION THE SAME TO BE PROVIDED BY THIS SUPPLEMENTAL RESOLUTION: APPROVING THE SCHEDULE OF ANNUAL DEBT SERVICE: APPROVING THE FORM OF THE LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT AND AUTHORIZING THE CHAIRMAN TO EXECUTE SUCH LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT: AMENDING THE DEFINITION OF QUALIFIED INVESTMENTS OF SAID RESOLUTION: AND APPROVING THE SALE OF SAID BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE AGGREGATE PRINCIPAL AMOUNT OF $511,183: AS WELL AS TO OTHER MATTERS RELATING TO THE BONDS BE HEREIN PROVIDED FOR:

WHEREAS, the Public Service Board (the "Governing Body") of the Tennerton Public Service District, Upshur County, West Virginia (the "District"), on March 5, 1986, passed a resolution entitled "A Resolution authorizing the acquisition and construction of public sewerage collection and transmission facilities for the Tennerton Public Service District (herein "PSD") and the financing of the cost not otherwise provided, thereof, through the issuance by the PSD of not more than

$402,000 in aggregate principal amount of Tennerton Public Service District Sewer Revenue Bonds, Series 1986 A, not more than $198,000 in aggregate principal amount of Tennerton Public Service District Sewer Revenue Bonds, Series 1986 B and not more than $1,100,000 in aggregate principal amount of Tennerton Public Service District Sewerage System Grant Anticipation Notes, Series 1986; authorizing the PSD to enter into an agreement with a banking institution for the extension of credit to borrow not more than $500,000 outstanding at any one time to defray certain costs attendant to the Project (herein defined) providing for the rights and remedies of and security for the registered owners of such Bonds and Notes; authorizing execution and delivery of a trust indenture securing the Notes; authorizing the sale and providing for the terms and provisions of such Bonds and Notes and adopting other provisions relating thereto" (the "Resolution"), all in accordance with the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), which Resolution became effective on March 5, 1986; and

WHEREAS, the Resolution provides for the inclusion of certain information such as the maturity dates, interest rate, interest payment dates and sale price of the Bonds which should be established by way of Supplemental Resolution thereto, as well as other matters relating to the Bonds be herein provided for; and

WHEREAS, the Bonds are proposed to be purchased by the West Virginia Water Development Authority (the "Original Purchaser"), pursuant to a Loan Agreement and Supplemental Loan Agreement both dated as of February 20, 1986; and

WHEREAS, it is the intention of Governing Body of the District that this Resolution is, and the same shall be treated as, the Supplemental Resolution relative to the issuance of the subject Bonds as so provided for in said Resolution; and

WHEREAS, the Governing Body deems it essential and desirable that this Supplemental Resolution be adopted and that the Loan Agreement and Supplemental Loan Agreement be approved, that the price, the maturity date, the redemption provisions, the interest rate and the interest payment dates of the Bonds be fixed hereby in the manner stated herein, that the definition of Qualified Investments for the investment of the bond proceeds be amended to include Federal Funds and the West Virginia State Consolidated Investment Fund, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, Be It Resolved by the Governing Body of the Tennerton Public Service District, Upshur County, West Virginia:

1. The Central National Bank, Buckhannon, West Virginia, is hereby named and selected as the Bond Registrar, Paying Agent and Depository Bank, as such terms appear in the Resolution and The Central National Bank shall have and be entitled to the authority conferred on each term by said Resolution.

2. The District has authorized by the Resolution this Supplemental Resolution which is adopted, and pursuant hereto, there is authorized and ordered to be issued in the aggregate principal amount Five Hundred Eleven Thousand One Hundred Eighty Three Dollars ($511,183) of the District's Sewer R venue Bonds in the form of Series 1986 A Bonds in the aggregate principal amount of $341,300.00 and Series 1986 B Bonds in the aggregate principal amount of $169,883.00.

3. The Bonds shall be dated March 12, 1986, the same being the date of delivery to the Original Bond Purchaser and the Schedule of Annual Debt Service as attached hereto, is hereby approved and the same shall be inserted as Exhibit A on pages 22 and 29 of the Resolution and shall be appended to the Series 1986 A and B Bonds as Exhibit A thereto. The Series 1986 A Bonds will bear interest at the rate of 9.75 per annum, from the date of delivery payable semi-annually on April 1 and

October 1 of each year, commencing October 1, 1986, upon original issuance, with the final interest payment date and maturity on October 1, 2025, unless sooner redeemed with the prior written consent of the West Virginia Water Development Authority, its successors and/or assigns. The Series 1986 A Bonds shall be issued in the form of one bond in the denomination of $341,300.00. All other provisions relating to the Series 1986 A Bonds shall be as provided in the Resolution, and the Bond shall be in substantially the form provided in the Resolution.

The Series 1986 B Bonds will bear interest at the rate of 0% per annum, from the date of delivery, upon original issuance with principal payments to be made on the first day of October of each year, with the final principal payment date and maturity on October 1, 2025, unless sooner redeemed with the prior written consent of the West Virginia Water Development Authority, its successors and/or assigns. The Series 1986 B Bonds shall be issued in the form of one Bond in the denomination of $169,883.00. All other provisions relating to the Series 1986 B Bonds shall be as provided in the Resolution, and the Bond shall be in substantially the form provided in the Resolution.

4. The form of the Loan Agreement and the Supplemental Loan Agreement, both made by and between the District and the West Virginia Water Development Authority, and both being dated February 20, 1986, are hereby approved as to both form and content, a copy of each of which is hereby incorporated by reference.

5. The form of Bond as to the Series 1986 A and B Bonds shall be and the same are hereby amended to reflect that the Bonds are issued pursuant to the Resolution duly adopted by the District on the 5th day of March, 1986 as supplemented on March 6, 1986.

6. In Section 7.04 of the Resolution, the date of October 24, 1985 is inserted in the blank therein provided, the same being the effective date for such Rate Resolution.

7. The Chairman of the District is hereby authorized and directed to execute and deliver the Loan Agreement and Supplemental Loan Agreement made by and between the District and the West Virginia Water Development Authority; and the Chairman, the Secretary, and other officers and employees of the District are hereby authorized and directed to do all things necessary and proper to cause the Bonds to be issued and delivered to the West Virginia Water Development Authority, as

the Original Purchaser, and to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for.

8. Section 1.01 VV. of the Resolution is hereby amended and re-enacted to read as follows:

Section 1.01 VV. "Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that 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;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through

(e) above, with banks or national banking associations which a e 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 holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties; and

(h) The Investment Agreement by and between the Trustee and the bank designated as "Investment Bank" in the Supplemental Resolution.

(i) Federal Funds for overnight and interim investments.

(j) West Virginia State Consolidated Investment Fund, which Fund is authorized to receive and invest monies from West Virginia municipal corporations and political subdivisions of the State of West Virginia such as public service districts

duly formed under the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended.

9. The sale of the Series 1986 A and B Bonds in the aggregate principal amount of $511,183 to the West Virginia Water Development Authority, as Original Purchaser is hereby approved.

10. This Supplemental Resolution shall take effect immediately upon its adoption.

Motion by Raymond H. Sempler, seconded by Robert Smith to adopt this Resolution. Motion carried unanimously.

ADOPTED MARCH 6, 1986.

John W. McCauley Jr.
CHAIRMAN

William C. Thurman
SECRETARY

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

TENNERTON PUBLIC SERVICE DISTRICT

SERIES 1986 A BONDS

Period Ending 10/1	Coupon	Principal	Interest	Debt Service
1986	9.75%	0.00	18,394.65	18,394.65
1987	9.75%	0.00	33,276.75	33,276.75
1988	9.75%	998.00	33,276.75	34,274.75
1989	9.75%	1,097.00	33,179.45	34,276.45
1990	9.75%	1,203.00	33,072.49	34,275.49
1991	9.75%	1,321.00	32,955.20	34,276.20
1992	9.75%	1,450.00	32,826.40	34,276.40
1993	9.75%	1,591.00	32,685.02	34,276.02
1994	9.75%	1,746.00	32,529.90	34,275.90
1995	9.75%	1,916.00	32,359.67	34,275.67
1996	9.75%	2,103.00	32,172.86	34,275.86
1997	9.75%	2,308.00	31,967.81	34,275.81
1998	9.75%	2,533.00	31,742.78	34,275.78
1999	9.75%	2,780.00	31,495.82	34,275.82
2000	9.75%	3,051.00	31,224.77	34,275.77
2001	9.75%	3,349.00	30,927.29	34,276.29
2002	9.75%	3,675.00	30,600.77	34,275.77
2003	9.75%	4,034.00	30,242.45	34,276.45
2004	9.75%	4,427.00	29,849.14	34,276.14
2005	9.75%	4,858.00	29,417.51	34,275.51
2006	9.75%	5,332.00	28,943.85	34,275.85
2007	9.75%	5,852.00	28,423.98	34,275.98
2008	9.75%	6,423.00	27,853.41	34,276.41
2009	9.75%	7,049.00	27,227.17	34,276.17
2010	9.75%	7,736.00	26,539.89	34,275.89
2011	9.75%	8,490.00	25,785.63	34,275.63
2012	9.75%	9,318.00	24,957.86	34,275.86
2013	9.75%	10,227.00	24,049.35	34,276.35
2014	9.75%	11,224.00	23,052.22	34,276.22
2015	9.75%	12,318.00	21,957.88	34,275.88
2016	9.75%	13,519.00	20,756.87	34,275.87
2017	9.75%	14,837.00	19,438.77	34,275.77
2018	9.75%	16,284.00	17,992.16	34,276.16
2019	9.75%	17,871.00	16,404.47	34,275.47
2020	9.75%	19,614.00	14,662.05	34,276.05
2021	9.75%	21,526.00	12,749.69	34,275.69
2022	9.75%	23,625.00	10,650.90	34,275.90
2023	9.75%	25,928.00	8,347.46	34,275.46
2024	9.75%	28,456.00	5,819.48	34,275.48
2025	9.75%	31,231.00	3,045.01	34,276.01
		341,300.00	1,012,855.58	1,354,155.58

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

SERIES 1986 B BONDS

Period Ending 10/1	Zero Coupon Bonds
1986	0.00
1987	0.00
1988	4,470.80
1989	4,470.60
1990	4,470.60
1991	4,470.60
1992	4,470.60
1993	4,470.60
1994	4,470.60
1995	4,470.60
1996	4,470.60
1997	4,470.60
1998	4,470.60
1999	4,470.60
2000	4,470.60
2001	4,470.60
2002	4,470.60
2003	4,470.60
2004	4,470.60
2005	4,470.60
2006	4,470.60
2007	4,470.60
2008	4,470.60
2009	4,470.60
2010	4,470.60
2011	4,470.60
2012	4,470.60
2013	4,470.60
2014	4,470.60
2015	4,470.60
2016	4,470.60
2017	4,470.60
2018	4,470.60
2019	4,470.60
2020	4,470.60
2021	4,470.60
2022	4,470.60
2023	4,470.60
2024	4,470.60
2025	4,470.60
	169,883.00

CLOSING ITEM B-3

TENNERTON PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS, SERIES 2001 A

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE TENNERTON PUBLIC SERVICE DISTRICT SEWER REFUNDING REVENUE BONDS, SERIES 2001 A; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO CAPITAL STATE BANK; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING THE PREPAYMENT AGREEMENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Tennerton Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on September11, 2001 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REVENUE BONDS, SERIES 1986-A, OF TENNERTON PUBLIC SERVICE DISTRICT AND THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $372,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2001 A, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE DISTRICT, SHALL BE EXPENDED FOR SUCH REFUNDING AND PAYING COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the refunding of the Issuer's Sewer Revenue Bonds, Series 1986, dated March 12, 1986 (the "Series 1986 A Bonds"), and the issuance of the Sewer Refunding Revenue Bonds, Series 2001 A, of the Issuer, in an aggregate principal amount not to exceed $372,000 (the "Series 2001 A Bonds" or the "Bonds"), for the purposes of paying a portion of the costs of such refunding, funding a reserve account for the Series 2001 A Bonds and paying the costs of issuance thereof, all in accordance with Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"); and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Bonds are proposed to be purchased by Capital State Bank, Charleston, West Virginia, pursuant to a commitment letter dated August 29, 2001; and

WHEREAS, the Governing Body deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted, that the Prepayment Agreement be approved, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

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

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Refunding Revenue Bonds, Series 2001 A, of the Issuer, originally represented by a single bond, numbered AR-1, in the original principal amount of $370,000. The Bonds shall be dated the date of delivery, shall finally mature September 10, 2025, and shall bear interest at the rate of 6% per annum for 20 years and at 80.00% of consensus Wall Street Journal Prime Rate as of September 10, 2021, fixed for the remaining 48 months of the loan. Interest shall be calculated using an actual day/360-day year. The principal of and interest on the Bonds shall be payable on the 10th day of each month, commencing October 10, 2001,

in the amounts set forth in the "Debt Service Schedule" incorporated in and made a part of the Bonds. If any payment is made more than 10 days after the due date, the Issuer shall pay a late charge equal to 5% of the principal and interest then due, with a minimum of $25 and a maximum of $250. The Bonds shall be subject to prepayment without penalty in whole or in part at any time upon the payment of the outstanding principal and the interest accrued to the prepayment date.

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

Section 3. The Issuer hereby approves and accepts the Prepayment Agreement by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), the paying agent for the Series 1986 A Bonds, to be dated as of the date of delivery of the Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Chairperson thereof shall be and the same are hereby authorized, approved and directed.

Section 4. The Issuer hereby appoints and designates Capital State Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") and Paying Agent (the"Paying Agent") for the Bonds under the Resolution and approves and accepts the Registrar and Paying Agent Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar and Paying Agent, and the execution and delivery of the Registrar and Paying Agent Agreement by the Chairperson, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 5. The Issuer hereby reappoints and redesignates Capital State Bank, Charleston, West Virginia, to serve as Depository Bank under the Resolution.

Section 6. The Issuer hereby approves and accepts the offer of Capital State Bank, Charleston, West Virginia (the "Original Purchaser"), to purchase the Bonds at a purchase price of $370,000 (100% of par value), there being no interest accrued thereon. The Original Purchaser shall deduct its 1% origination fee ($3,720) from the proceeds of the Bonds prior to disbursement.

Section 7. The proceeds of the Bonds in the amount of $317,781.00 shall be deposited with the Commission, together with other moneys of the Issuer in the amount of $58,032 in the Series 1986 A Bonds Sinking Fund and the Series 1986 A Bonds Reserve Account to accomplish the prepayment and refunding of the Series 1986 A Bonds.

Section 8. The proceeds of the Bonds in the amount of $29,343 shall be deposited with the Commission in the Series 2001 A Bonds Reserve Account.

Section 9. The remaining proceeds of the Bonds in the amount of $22,876 along with $4,624 in funds of the Issuer shall be deposited with the Paying Agent in the Costs of Issuance and Capital Improvement Fund for payment of the costs of issuance of the Bonds, and capital improvements of the System. All such costs of issuance shall be paid upon delivery of the Bonds. The remaining proceeds of the Bonds, including any moneys released by the Commission, shall be applied solely to capital improvements of the System and shall be fully expended within one year from the date of delivery of the Bonds.

Section 10. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 11. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Original Purchaser on or about September 13, 2001.

Section 12. The prepayment and refunding of the Series 1986 A Bonds and the financing thereof in part with proceeds of the Bonds will result in present value debt service savings and provide for other benefits of value for the Issuer, are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (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 and the Regulations to be promulgated thereunder.

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

Adopted this 11th day of September, 2001.

John V. McGraw Jr

Chairperson and Member

Joan Francis

Member

Rex N Reeder

Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Tennerton Public Service District on the 11th day of September, 2001.

Dated this 11th day of September, 2001.

[SEAL]

Secretary

CLOSING ITEM NO. B-2

TENNERTON PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REVENUE BONDS, SERIES 1986-A, OF TENNERTON PUBLIC SERVICE DISTRICT AND THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $372,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2001 A, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE DISTRICT, SHALL BE EXPENDED FOR SUCH REFUNDING AND PAYING COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF TENNERTON PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

B. The Issuer presently owns and operates a public sewerage system (the "System") and has heretofore financed the acquisition and construction of the System and certain

additions, extensions and improvements thereto by issuance of its Sewer Revenue Bonds, Series 1986-A, dated March 12, 1986, issued in the original aggregate principal amount of $341,300 (the "Series 1986 A Bonds"); Subordinate Sewer Revenue Bonds, Series 1986-B, dated March 12, 1986, issued in the original aggregate principal amount of $169,883 (the "Series 1986 B Bonds"); and Sewer Revenue Bonds, Series 1997 A, dated September 18, 1997, issued in the original aggregate principal amount of $585,627 (the "Series 1997 A Bonds"). The Series 1986 B Bonds and the Series 1997 A Bonds are hereinafter collectively called the "Prior Bonds".

C. The Issuer is authorized and empowered under the Act to issue refunding revenue bonds for the purpose of retiring or refinancing all or any part of the outstanding Series 1986 A Bonds.

D. The registered owner of the Series 1986 A Bonds has consented to the prepayment of the Series 1986 A Bonds and the Issuer is advised that present value debt service savings will be realized as a result of the prepayment and refunding of the Series 1986 A Bonds.

E. The Issuer hereby determines that it would therefore be to the benefit of the Issuer and its residents to refund the Series 1986 A Bonds in their entirety with proceeds of a series of bonds to be designated "Sewer Refunding Revenue Bonds, Series 2001 A" (the "Series 2001 A Bonds") and other moneys of the Issuer.

F. Capital State Bank, Charleston, West Virginia (the "Original Purchaser") has offered to purchase the Series 2001 A Bonds by a commitment letter dated August 29, 2001.

G. The Series 2001 A Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements of the Prior Bonds and the resolutions authorizing the Prior Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the Series 2001 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2001 A Bonds on a parity with the Prior Bonds; and (iii) the written consent of the Holders of the Series 2000 A Bonds to the change of the lien position of the Series 1986 B Bonds from a subordinate bond to a first lien bond on a parity with the Series 2000 A Bonds. Other than the Series 1986 A Bonds and the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year from the operation of the System upon the refunding of the Series 1986 A Bonds will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 2001 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law relating to authorization of the issuance of the Series 2001 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the refunding from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2001 A Bonds or such final order will not be subject to appeal or rehearing.

J. The Issuer does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and bonds issued to currently refund any obligation of the Issuer) during the calender year 2001.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2001A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2001 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein, including the Prior Bonds.

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

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

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

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

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

"Bond Registrar" or "Registrar" means the bank to be designated as such in the Supplemental Resolution for the Series 2001 A Bonds and any successor thereto.

"Bonds" means, collectively, the Series 2001 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2001 A Bonds for the proceeds representing the original purchase price thereof.

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

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

"Consulting Engineers" means any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof.

"Costs" means all those costs now or hereafter permitted by the Act to be financed with the Series 2001 A Bonds, including, without limitation, the costs of refunding the Series 1986 A Bonds, interest accruing or to accrue thereon, redemption premium, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, expenses for fiscal or other agents, legal expenses and any other costs necessary, desirable or incidental to the issuance of the Series 2001 A Bonds and the refunding of the Series 1986 A Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund established by Section 5.02 hereof.

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

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

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

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

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by or accrued to the Issuer from the operation of the System, as calculated in accordance with generally accepted accounting principles.

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

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

"Investment Property" means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

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

"Net Proceeds" means the face amount of the Series 2001 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2001 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2001 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, fees and expenses of fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest, if any, 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 Purchaser" means Capital State Bank, Charleston, West Virginia, which is expected to be the original purchaser and Registered Owner of the Series 2001 A Bonds.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated (where applicable) and delivered, except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which 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 or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the bank to be designated as such in the Supplemental Resolution for the Series 2001 A Bonds and any successor thereto.

"Prepayment Agreement" means the Prepayment Agreement to be entered into between the Issuer and the Commission, providing for the payment of the Series 1982 A Bonds, the deposit therein of a portion of the proceeds of the Series 2001 A Bonds, the disposition of moneys in the various funds and accounts of the Series 1982 A Bonds and other matters in connection therewith, the form of which shall be approved by a resolution supplemental hereto.

"Prior Bonds" means, collectively, the Series 1982 B Bonds and the Series 2000 A Bonds.

"Prior Resolution" means, collectively, the resolutions of the Issuer adopted _____, 1986 and _____, 1997, authorizing the Prior Bonds.

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

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully

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

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

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

"Redemption Date" means the date fixed for redemption of the Series 1982 A Bonds.

"Redemption Price" means the price at which the Series 1982 A Bonds may be called for redemption and includes the principal of and interest on such Bonds to be redeemed, plus the premium, if any, required to be paid to effect such redemption.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2001 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution.

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

"Series 1986 B Bonds Reserve Account" means the Series 1986 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 1986 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1986 B Bonds in the then current or any succeeding year.

"Series 2001 A Bonds" means the Sewer Refunding Revenue Bonds, Series 2001 A, of the Issuer, authorized by this Resolution.

"Series 2001 A Bonds Reserve Account" means the Series 2001 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2001 A Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2001 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2001 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2001 A Bonds.

"Series 2001 A Bonds Sinking Fund" means the Series 2001 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2001 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2001 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2001 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Bond Legislation to be set aside and held for the payment of or security for the Series 2001 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairperson or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairperson or Acting Secretary.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 1986 A Bonds Outstanding as of the date of issuance of the Series 2001 A Bonds in the aggregate principal amount of $317,203, are hereby ordered to be prepaid on September 13, 2001, pursuant to the terms of the Prepayment Agreement, and the pledge of Net Revenues in favor of the Holders of the Series 1986 A Bonds imposed by the Prior Resolution, the moneys in the funds and accounts created by the Prior Resolution pledged to payment of the Series 1986 A Bonds, and any other funds pledged by the Prior Resolution to payment of the Series 1986 A Bonds are hereby ordered terminated, discharged and released upon the payment with the Commission, the paying agent of the Series 1986 A Bonds, from the proceeds of the Series 2001 A Bonds and from other moneys available therefor, of the following: (a) if required, an amount equal to the fiscal and paying agent charges to become due and payable in connection with the Series 1986 A Bonds, and (b) an amount sufficient to pay the Redemption Price of the Series 1986 A Bonds on the Redemption Date, all as set forth in the Prepayment Agreement. Contemporaneously with the deposit of the proceeds of the Series 2001 A Bonds with the Commission, the amounts on deposit in the sinking fund, including the reserve account therein, created and maintained for the Series 1986 A Bonds shall be released from the lien created by the Prior Resolution and shall be applied as set forth into the Prepayment Agreement or in the Supplemental Resolution.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND DELIVERY OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of the costs necessary to current refund the Series 1986 A Bonds, funding a reserve account for the Series 2001 A Bonds and paying certain costs of issuance of the Series 2001 A Bonds and related costs, or any one or more of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2001 A Bonds of the Issuer. The Series 2001 A Bonds shall be issued as a single bond, designated as "Sewer Refunding Revenue Bonds, Series 2001 A", in an aggregate principal amount of not more than $372,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2001 A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum rate, payable monthly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Series 2001 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2001 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Original Purchaser is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution or herein, the Series 2001 A Bonds shall be issued in the form of a single bond, fully registered to the Original Purchaser, with a debt service schedule attached thereto, representing the aggregate principal amount of the Series 2001 A Bonds. The Series 2001 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Series 2001 A Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Original Purchaser shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2001 A Bonds shall be executed in the name of the Issuer by the Chairperson, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2001 A Bonds shall cease to be such officer of the Issuer before the

Series 2001 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2001 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2001 A 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 form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2001 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2001 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of the Series 2001 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that the Series 2001 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2001 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2001 A Bonds.

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

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any

such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any of the Series 2001 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2001 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2001 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. Simultaneously with the issuance of the Series 2001 A Bonds, the Series 1986 B Bonds shall advance to a first lien parity position. The payment of debt service of the Series 2001 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2001 A Bonds and the Prior Bonds and to make all other payments provided for in this Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2001 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2001 A Bonds to the Original Purchaser upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2001 A Bonds to the Original Purchaser.

Section 3.10. Form of Bonds. The text of the Series 2001 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TENNERTON PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BOND, SERIES 2001 A

No. AR-1 $370,000

KNOW ALL MEN BY THESE PRESENTS: That TENNERTON PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Upshur 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 Capital State Bank (the "Payee") or registered assigns the sum of THREE HUNDRED SEVENTY THOUSAND DOLLARS ($370,000), in monthly installments on the first day of each month, commencing October 10, 2001, as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference, with interest on each installment at the rate of 6.00% per annum, payable on the first day of each month, commencing October 10, 2001. Interest shall be calculated using an day/360-day year.

The principal of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of Capital State Bank, Charleston, West Virginia (the "Paying Agent"). If any payment is made more than 10 days after the due date, the Issuer shall pay a late charge equal to 5% of the principal and interest then due, with a minimum of $25 and maximum of $250.

This Bond is subject to prepayment without penalty in whole or in part at any time upon the payment of the outstanding principal and the interest accrued to the prepayment date.

This Bond is issued (i) to pay, together with other funds of the Issuer, a portion of the costs necessary to current refund the Issuer's Sewer Revenue Bonds, Series 1986 (the "Series 1986 A Bonds"); (ii) funding a reserve account for this Bond; and (iii) to pay certain costs of issuance of this Bond 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 Bond Resolution duly adopted by the Issuer on September 11, 2001, and a Supplemental Resolution duly adopted by the Issuer on September 11, 2001, (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and

ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, DATED MARCH 12, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $169,883; AND SEWER REVENUE BONDS, SERIES 1997 A DATED SEPTEMBER 18, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $585,627 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of the Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2001 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2001 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on this Bond in the then current or any succeeding year and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the costs of refunding the Series 1982 A Bonds and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. This Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State under the Act.

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

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

IN WITNESS WHEREOF, TENNERTON PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 2001.

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2001 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2001.

CAPITAL STATE BANK, as Registrar

By_____
Its Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Designation of Bonds as "Qualified Tax-Exempt Obligations". The Issuer hereby designates the Series 2001 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2001 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more that $10,000,000 in aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the 2001 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2001.

ARTICLE IV

(RESERVED)

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

Section 5.02. Establishment of Funds and Accounts with Commission and Paying Agent. A. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolution) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Renewal and Replacement Fund (also known as the Depreciation Fund and established by the Prior Resolution);

(2) Series 1986 B Bonds Sinking Fund (established by the Prior Resolution);

(3) Series 1986 B Bonds Reserve Account;

(4) Series 1997 A Bonds Sinking Fund (established by the Prior Resolution);

(5) Series 1997 A Bonds Reserve Account (established by the Prior Resolution); and

(6) Series 2001 A Bonds Reserve Account.

B. The following special funds are hereby created with and shall be held by the Paying Agent separate and apart from all other funds or accounts of the Paying Agent and the Issuer and from each other:

(1) Series 2001 A Bonds Sinking Fund;

(2) Costs of Issuance Fund; and

(3) Rebate Fund.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The

Revenue Fund shall constitute a trust fund for the purposes provided in this 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 herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Paying Agent for deposit in the Series 2001 A Bonds Sinking Fund, the amount of the interest which will become due on the Series 2001 A Bonds on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission for deposit in the Series 1982 B Bonds Sinking Fund, the amount required by the Prior Resolution for payment of the principal of the Series 1986 B Bonds; (ii) remit to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, the amount required by the Prior Resolution for payment of the principal of the Series 1997 A Bonds; and (iii) remit to the Paying Agent for deposit in the Series 2001 A Bonds Sinking Fund, the amount of principal which will mature and become due on the Series 2001 A Bonds on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 B Bonds Reserve Account, an amount equal to 1/120th of the Series 1986 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1986 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1986 B Bonds Reserve Requirement; (ii) for deposit in the Series 1997 A Bonds Reserve Account, the amount required by the Prior Resolution to be deposited therein; and (iii) if not fully funded upon the issuance of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2001 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2001 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2001 A Bonds Reserve Requirement.

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

account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2001 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2001 A Bonds as the same shall become due. Moneys in the Series 2001 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2001 A Bonds as the same shall become due, when other moneys in the Series 2001 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Any withdrawals from the Series 2001 A Bonds Reserve Account which result in a reduction in the balance therein to below the Series 2001 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2001 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2001 A Bonds Sinking Fund or the Series 2001 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2001 A Bonds then Outstanding and all interest to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2001 A Bonds in accordance with the respective principal amounts then Outstanding.

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

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess

of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds. From the moneys received from the sale of the Series 2001 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2001 A Bonds, there shall first be deposited with the Commission, the amount set forth in the Prepayment Agreement which, together with other moneys simultaneously deposited therein, shall be sufficient to accomplish the refunding and prepayment of the Series 1986 A Bonds.

B. Next, there shall be deposited with the Commission in the Series 2001A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2001 A Bonds Reserve Account.

C. Next, there shall be deposited with the Paying Agent in the Costs of Issuance Fund, the balance of the proceeds of the Series 2001 A Bonds and any moneys released by the Commission. The Issuer shall first pay all costs of issuance of the Series 2001 A Bonds and miscellaneous costs of refunding for the Series 1986 A Bonds. All costs of issuance shall be paid upon delivery of the Series 2001 A Bonds. The remaining funds shall be applied solely to capital improvements of the System and shall be fully expended within one year from the date of delivery of the Series 2001 A Bonds.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2001 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2001 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2001 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2001 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2001 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of debt service of the Series 2001 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest and other payments on the Series 2001 A Bonds and the Prior Bonds and to make the other payments provided for in this Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in this Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges , with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Legislation. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Order of the Public Service Commission of West Virginia entered [NEED].

So long as the Series 2001 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation. In the event the schedule of rates and charges initially established for the System in connection with the Series 2001 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all

such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Resolution. Additionally, so long as the Series 2001 A Bonds are outstanding and 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 fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be deposited in the respective Sinking Funds and the Issuer shall direct the Paying Agent and the Commission to apply such proceeds to the payment of principal of and interest on the Bonds. Any balance remaining after the payment of the Bonds and interest thereon, shall be remitted to the Issuer by the Paying Agent and the Commission.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. The payment of such proceeds into the Renewal and Replacement Fund or the Sinking Funds shall not reduce the amount required to be paid into such funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2001 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2001 A Bonds and payable from revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2001 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2001 A Bonds, and the interest thereon, upon any or all of the income and revenues of the System pledged for payment of the Series 2001 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds payable out of revenues of the System shall be issued after the issuance of the Series 2001 A Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2001 A Bonds.

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

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

(1) The Bonds then Outstanding;

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

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

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2001 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2001 A Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Series 2001 A Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. So long as the Prior Bonds are outstanding, the provisions for record keeping and audits set forth in the Prior Resolution shall be applicable. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

Section 7.09. Rates. Prior to the issuance of the Series 2001 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit in the Reserve Accounts and in the reserve accounts for obligations on a parity with the Series 2001 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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

Section 7.11. Operating Personnel. The Issuer shall employ qualified operating personnel properly certified by the State so long as the Series 2001 A Bonds are outstanding.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for

the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law or, if the waterworks facilities are not owned by the Issuer, the Issuer will use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance. A. The Issuer hereby covenants and agrees that so long as the Series 2001 A Bonds remain Outstanding, the Issuer shall, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties, or for the other purposes provided herein for the Renewal and Replacement Fund.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR in compliance with State law.

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

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

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

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

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

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

The Issuer has obtained all permits required by State and federal laws for the operation of the System and all orders and approvals from the Public Service Commission of West for issuance of the Series 2001 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2001 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2001 A Bonds during the term thereof is, under the terms of the Series 2001 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2001 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2001 A Bonds during the term thereof is, under the terms of the Series 2001 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2001 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the project, or if the Series 2001 A Bonds are for the purpose of financing more than one project, a portion of the project, and shall not exceed the proceeds used for the governmental use of the portion of the project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2001 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2001 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2001 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it so that the interest on the Series 2001 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions, the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2001 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall

take effect immediately upon delivery of the Series 2001 A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Additional Covenants with respect to the Original Purchaser. So long as the Series 2001 A Bonds are outstanding, the Issuer shall:

A. Promptly advise the Original Purchaser in writing of (i) any event or act which comes to its attention that would or might materially adversely affect the Issuer's financial condition or operations, or the Original Purchaser's rights under the Bond documents, (ii) any litigation filed by or against the Issuer, (iii) any event that has occurred that would constitute an event of default under any Bond documents and (iv) any loss through fire, theft, liability or property damage in excess of an aggregate of $25,000.

B. Furnish to the Original Purchaser prepared financial statements of the Issuer for each fiscal year, within 60 days after the close of each such fiscal year and audited financial statements within 180 days after the close of each such fiscal year.

C. Notify the Original Purchaser in writing if the Issuer becomes a defendant in any future litigation.

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, the Paying Agent or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this 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.

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

The Depository Bank and the Paying Agent shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2001 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest on the Series 2001 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2001 A Bonds which would cause the Series 2001 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2001 A Bonds) so that the interest on the Series 2001 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond

counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2001 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2001 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and the Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and the Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Paying Agent shall pay said amounts to the Issuer to by used for any lawful purpose of the System. the Issuer shall remit payments to the United States at the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by the Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and the Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount 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 Series 2001 A Bonds from gross income for federal income tax purposes.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2001 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2001 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2001 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2001 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and this Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of this Bond Legislation with respect to the Bonds, or the rights of such Registered Owners, provided that, all rights and remedies of the Holders of the Series 2001 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Bond Legislation 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 Event of Default with respect to such Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2001 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner set forth in the Bonds and/or this Bond Legislation, then this Bond Legislation and the pledges of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2001 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2001 A Bonds for gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2001 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2001 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the 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 funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 2001 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution or the Series 2001 A Bonds.

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with

the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairperson, 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 be effective immediately following adoption hereof.

Adopted this ____ day of September, 2001.

Chairperson and Member

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of TENNERTON PUBLIC SERVICE DISTRICT on the 11th day of September, 2001.

Dated this 13th day of September, 2001.

[SEAL]

Secretary

GBB.GBB.0084484

TENNERTON PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 1997 A

(WEST VIRGINIA SRF PROGRAM)

BOND RESOLUTION

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TENNERTON PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF TENNERTON PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $585,627 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF TENNERTON PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation"), supplemental to the Prior Resolution (as hereinafter defined), is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants

of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of an interceptor sewer line on the east side of the Buckhannon River, with 5,088 linear feet of 8-inch PVC gravity sewer pipe, 312 linear feet of 8-inch DIP sewer pipe, 3,447 linear feet of 6-inch PVC forcemain, 492 linear feet of 4-inch PVC forcemain, 428 linear feet of 1 1/4-inch PVC forcemain, 24 manholes, 5 pressure cleanouts, 6 air release valves, 2 duplex lift stations, 1 household grinder station, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of such costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), in the total aggregate principal amount of not more than $585,627 (the "Series 1997 A Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 1997 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1997 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1997 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1997 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 1997 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 1997 A Bonds as to liens, pledge and source of and security for payment, being the Sewer Revenue Bonds, Series 1986 A, dated March 12, 1986, issued in the original aggregate principal amount of $341,300 (the "Series 1986 A Bonds"), and the Sewer Revenue Bonds, Series 1986 B, dated March 12, 1986, issued in the original aggregate principal amount of $169,883 (the "Series 1986 B Bonds"). The Series 1986 A Bonds and the Series 1986 B Bonds are hereinafter collectively called the "Prior Bonds".

The Series 1997 A Bonds shall be issued on a parity with the Series 1986 A Bonds and senior and prior to the Series 1986 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the coverage requirements for issuance of parity bonds of the Series 1986 A Bonds and the resolutions authorizing the Series 1986 A Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. The Issuer has obtained the written consent of the Holders of the Series 1986 A Bonds to the issuance of the Series 1997 A Bonds on a parity with the Series 1986 A Bonds. The Issuer has obtained the written consent of the Holders of the Series 1986 B Bonds to the issuance of the Series 1997 A Bonds on a senior and prior basis to the Series 1986 B Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1997 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will

either have expired prior to the issuance of the Series 1997 A Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1997 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 1997 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1997 A Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

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

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

"Bonds" means, collectively, the Series 1997 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1997 A Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1997 A Bonds from the Authority.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

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

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

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

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

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

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

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

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

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and among the Authority, the DEP and the Issuer, providing for the purchase

of the Series 1997 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 1997 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1997 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1997 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 A Bonds.

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 1997 A Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Series 1986 A Bonds and the Series 1986 B Bonds, described in Section 1.02G hereof.

"Prior Resolution" means, collectively, the resolutions of the Issuer adopted March 5, 1986, and March 6, 1986, authorizing 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.

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

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 1997 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 1997 A Bonds and the Prior Bonds.

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

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

"Series 1986 A Bonds" means the Sewer Revenue Bonds, Series 1986 A, of the Issuer, described in Section 1.02G hereof.

"Series 1986 B Bonds" means the Sewer Revenue Bonds, Series 1986 B, of the Issuer, described in Section 1.02G hereof.

"Series 1997 A Bonds" means the not more than $585,627 in aggregate principal amount of Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), of the Issuer, authorized by this Resolution.

"Series 1997 A Bonds Reserve Account" means the Series 1997 A Bonds Reserve Account established in the Series 1997 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 A Bonds in the then current or any succeeding year.

"Series 1997 A Bonds Sinking Fund" means the Series 1997 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 1997 A Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 1997 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 1997 A Bonds, and not so included, may be included in another Supplemental Resolution.

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

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $621,227, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1997 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of the Project is estimated to be $621,227, of which approximately $585,627 will be from proceeds of the Series 1997 A Bonds and approximately $35,600 will be from funds of the Issuer.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1997 A Bonds, funding a reserve account for the Series 1997 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1997 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 1997 A Bonds of the Issuer. The Series 1997 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program)," in the principal amount of not more than $585,627, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 A Bonds remaining after funding of the Series 1997 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1997 A Bonds, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 1997 A Bonds shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1997 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1997 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1997 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1997 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1997 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Series 1997 A Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Series 1997 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 1997 A Bonds shall cease to be such officer of the Issuer before the Series 1997 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1997 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1997 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1997 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1997 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1997 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1997 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

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

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

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account. No holder or holders of the Series 1997 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1997 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1997 A Bonds

shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holder of the Series 1986 A Bonds and senior and prior to the lien on such Net Revenues in favor of the Holder of the Series 1986 B Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1997 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1997 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1997 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1997 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 1997 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TENNERTON PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1997 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That TENNERTON PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Upshur County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199___, as set forth on said EXHIBIT B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions

prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 199___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1986 A, DATED MARCH 12, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $341,300 (THE "SERIES 1986 A BONDS"), AND SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1986 B, DATED MARCH 12, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $169,883 (THE "SERIES 1986 B BONDS"). THE SERIES 1986 A BONDS AND THE SERIES 1986 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 1986 A Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Series 1986 B Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has

covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 1997 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, TENNERTON PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 199__.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1997 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Operation and Maintenance Fund (established by the Prior Resolution);

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

(4) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolution) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1986 A Bonds Sinking Fund (established by the Prior Resolution);

(2) Within the Series 1986 A Bonds Sinking Fund, the Series 1986 A Bonds Reserve Account (established by the Prior Resolution);

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

(4) Within the Series 1986 B Bonds Sinking Fund, the Series 1986 B Bonds Reserve Account (established by the Prior Resolution);

(5) Series 1997 A Bonds Sinking Fund; and

(6) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 A Bonds Sinking Fund the amount required by the Prior Resolution to pay interest on the Series 1986 A Bonds and (ii) commencing 3 months prior to the first date of payment of interest on the Series 1997 A Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 1997 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 1997 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 A Bonds Sinking Fund the amount required by the Prior Resolution to pay principal of the Series 1986 A Bonds and (ii) commencing 3 months prior to the first date of payment of principal of the Series 1997 A Bonds, for deposit in the Series 1997 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 A Bonds Reserve Account the amount required by the Prior Resolution and (ii) commencing 3 months prior to the first date of payment of principal of the Series 1997 A Bonds, if not fully funded upon issuance of the Series 1997 A Bonds, for deposit in the Series 1997 A Bonds Reserve Account, an amount equal to 1/120th of the Series 1997 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1997 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1997 A Bonds Reserve Requirement.

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

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bonds Sinking Fund the amount required by the Prior Resolution to pay principal of the Series 1986 B Bonds.

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

Moneys in the Series 1997 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1997 A Bonds as the same shall become due. Moneys in the

Series 1997 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1997 A Bonds as the same shall come due, when other moneys in the Series 1997 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 1997 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1997 A Bonds Reserve Account which result in a reduction in the balance of the Series 1997 A Bonds Reserve Account to below the Series 1997 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 1997 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 1997 A Bonds Sinking Fund or the Series 1997 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1997 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1986 A Bonds and the Series 1997 A Bonds, and thereafter, with respect to the Series 1986 B Bonds, all in accordance with the respective principal amounts then outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required hereunder.

Moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 A Bonds Sinking Fund, including the Series 1997 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1997 A Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1997 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the SRF Administrative Fee as set forth in Schedule Y attached to the Loan Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a 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 payment check to the Authority by the 5th day of such calendar month.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the

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

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

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1997 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 A Bonds, there shall first be deposited with the Commission in the Series 1997 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1997 A Bonds for the period commencing on the date of issuance of the Series 1997 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1997 A Bonds, there shall be deposited with the Commission in the Series 1997 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1997 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1997 A Bonds, such moneys shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 1997 A Bonds shall be used to fund the Series 1997 A Bonds Reserve Account, if not funded upon issuance of the Series 1997 A Bonds, in an amount not to exceed the Series 1997 A Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 1997 A Bonds be deposited in the Series 1997 A Bonds Reserve Account.

E. 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 moneys therein set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project

and until so transferred or expended, are hereby pledged as additional security for the Series 1997 A 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 a report listing the specific purposes for which the proceeds of the Series 1997 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Series 1997 A Bonds which shall be made upon request of the Issuer), shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1997 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1997 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1997 A Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1997 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1997 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holder of the Series 1986 A Bonds and senior and prior to the lien on such Net Revenues in favor of the Holder of the Series 1986 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Final Order of the Public Service Commission of West Virginia entered June 11, 1997, in Case No. 96-0632-PSD-CN, and such rates are hereby adopted.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Resolution. Additionally, so long as the Series 1997 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to

be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1997 A Bonds, immediately be remitted to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 1997 A Bonds. Any balance remaining after the payment of the Series 1997 A 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, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1997 A Bonds. All obligations issued by the Issuer after the issuance of the Series 1997 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1997 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1997 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 1997 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1997 A Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority under the conditions and in the manner herein provided (unless less restrictive then the provisions of the Prior Resolution).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1997 A Bonds.

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity

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

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 1997 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1997 A Bonds.

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

Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority and the DEP submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of the Parity Bonds.

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or its 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 it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

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

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1997 A Bonds, and shall mail in each year to any Holder or Holders of the Series 1997 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with OMB Circular 128 and the Single Audit Act and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1997 A Bonds, and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 1997 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

The Issuer shall permit the Authority and the DEP, or its 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 its 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.

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.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 1997 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1997 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with or junior to the Series 1997 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 1997 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued

operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the DEP and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant in compliance with OMB Circular 128 and the Single Audit Act, the report of which audit shall be submitted to the Authority and the DEP and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

The Issuer shall provide and maintain competent and adequate 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, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as

Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer 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 the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

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

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

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

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

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division

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

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1997 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1997 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1997 A Bonds during the term thereof is,

under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1997 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1997 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1997 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to

be valid and binding, shall take effect immediately upon delivery of the Series 1997 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holder of the Series 1986 A Bonds and senior and prior to the statutory mortgage lien in favor of the Holder of the Series 1986 B Bonds.

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

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

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

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 1997 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1997 A Bonds which would cause the Series 1997 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1997 A Bonds) so that the interest on the Series 1997 A Bonds will be and remain excluded from gross income for

Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 1997 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 1997 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

If the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds. In the event of a failure to pay the correct rebate amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States such amount or amounts, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for any exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1997 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all

funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 1997 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 1997 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 1997 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1997 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holder of the Series 1997 A Bonds shall be on a parity with the Holder of the Series 1986 A Bonds and senior and prior to the Holder of the Series 1986 B Bond.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after

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

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

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

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

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

court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1997 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1997 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1997 A Bonds from gross income for federal income tax purposes.

Series 1997 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1997 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1997 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1997 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1997 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the 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 Bond Legislation. Prior to issuance of the Series 1997 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1997 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1997 A Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Series 1997 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 1997 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1997 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 1997 A Bonds.

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

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

between this Resolution and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

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

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Tennerton Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 1997 A Bonds to be issued;

(b) The maximum interest rate and terms of the Series 1997 A Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

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

Adopted this 10th day of September, 1997.

Chairman

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of TENNERTON PUBLIC SERVICE DISTRICT on the 10th day of September, 1997.

Dated: September 18, 1997.

[SEAL]

Secretary, Public Service Board

08/13/97
893440/97001

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

TENNERTON PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), OF TENNERTON PUBLIC SERVICE DISTRICT; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Tennerton Public Service District (the "Issuer"), has duly and officially adopted a bond resolution, effective September 10, 1997 (the "Resolution") entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF TENNERTON PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $585,627 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF

SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program) (the "Bonds" or the "Series 1997 A Bonds"), of the Issuer, in an aggregate principal amount not to exceed $585,627, and has authorized the execution and delivery of a loan agreement relating to the Bonds dated August 12, 1997 (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), of the Issuer, originally

represented by a single Bond, numbered AR-1, in the principal amount of $585,627. The Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2018, and shall bear interest at the rate of 2% per annum. The principal of and interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, and ending June 1, 2018, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds. The Issuer does hereby approve and shall pay the administrative fee equal to 1% of the principal amount of the Series 1997 A Bonds set forth in "Schedule Y" attached to the Loan Agreement.

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

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

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

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

Section 6. The Issuer does hereby appoint and direct Bank One, West Virginia, NA, Buckhannon, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. Series 1997 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 1997 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 A Bonds Reserve Account. The Issuer shall deposit $35,600 of its own funds in the Series 1997 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 1997 A Bonds shall be deposited in the Bond Construction Trust Fund as received from time to time for payment of Costs of the Project, including, without limitation, costs of issuance of the Series 1997 A Bonds.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 1997 A Bonds hereby and by the Resolution approved and provided for, to the end that the Series 1997 A Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about September 18, 1997.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 1997 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed by the Issuer. Moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Series 1997 A Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Series 1997 A Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

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

Adopted this 10th day of September, 1997.

TENNERTON PUBLIC SERVICE DISTRICT

Chairman

Member

Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of TENNERTON PUBLIC SERVICE DISTRICT on the 10th day of September, 1997.

Dated: September 18, 1997.

[SEAL]

Secretary, Public Service Board

08/14/97
893440/97001

WEST VIRGINIA
Water Development Authority
Celebrating 34 Years of Service ***1974 - 2008***

April 17, 2008

Tennerton Public Service District
Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Harris and Company, the independent certified public accountants, and an opinion of Steptoe & Johnson PLLC, as bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, of Tennerton Public Service District (the "Issuer"), hereby consents to the issuance of the $1,400,000 Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture) (the "Bonds"), by the Issuer, under the terms of the resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment with the Issuer's (i) Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated September 18, 1997, issued in the original aggregate principal amount of $585,627 and (ii) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated March 12, 1986 issued in the original aggregate principal amount of $169,883 (collectively, the "Prior Bonds").

Chris E. Jarrett – Executive Director

180 Association Drive, Charleston, WV 25311-1217
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www.wvwda.org

070827alj101107.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

10/31/2007

Entered: October 11, 2007

CASE NO. 07-0827-PSD-CN

TENNERTON PUBLIC SERVICE DISTRICT,
Buckhannon, Upshur County.
Application for a certificate of convenience and necessity to construct an extension to its sanitary sewer collection system to serve approximately 130 new customers in Upshur County.

RECOMMENDED DECISION

On May 11, 2007, the Tennerton Public Service District (Utility) filed an application with the Commission for a certificate of convenience and necessity to construct an extension to its sewer collection system in Upshur County. The Utility proposes an increase in its customer bills of 15% to support the project.

On June 19, 2007, the Commission referred the matter. The Commission required a decision on or before December 7, 2007. The application has been protested.

By Procedural Order issued August 8, 2007, the matter was set for hearing on October 4, 2007. The Utility was ordered to publish notice of the hearing in Upshur County.[1] The hearing was held as scheduled. Jennifer LaMora, Esquire, appeared on behalf of the Utility. Wendy Braswell, Esquire, appeared on behalf of Staff. Only one protestant appeared at the hearing. The individual was not going to be a customer of the Utility but was the owner of certain land upon which the Utility needed to place some facilities related to the project.

FINDINGS OF FACT

1. On May 11, 2007, the Utility filed an application for a certificate of convenience and necessity to construct an extension of its sewer collection system. (See application).

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[1]On October 10, 2007, the Utility filed an affidavit indicating it properly published notice of the hearing.

2. The Utility currently provides service to 599 residential customers, 65 commercial customers and one industrial customer. The project will add an additional 130 new customers. (See Final Joint Staff Memorandum filed August 16, 2007).

3. There is no adequate collection system presently in place for the project areas. Most of the individuals to be served by this project are currently on septic tanks, home aeration units, or directly discharge into the Buckhannon River. Many of the septic systems are damaged and/or ineffective leading to pollution of the Buckhannon River. Eleven of the 130 new customers are currently served by the Green Meadows Sewage Association whose sewage is treated in a lagoon. The lack of a public sewer system in the area represents a threat to public health and the environment. (See Final Joint Staff Memorandum).

4. All of the Utility's waste flow goes to the City of Buckhannon's wastewater plant for treatment. The City of Buckhannon has sufficient treatment capacity to support the project. (See Final Joint Staff Memorandum).

5. The project's plans and specifications are in compliance with the Commission's rules and regulations. (See Final Joint Staff Memorandum).

6. The Office of Environmental Health Services has issued Permit No. 17,300 approving the project. The project was also approved by the State Historic Preservation Officer. The Division of Natural Resources issued a Memorandum indicating that there are no rare, threatened, or endangered species or wetlands within the project area. The Utility will apply for the remaining permits required for the project. (See Final Joint Staff Memorandum).

7. The estimated total project cost is $2,400,000. (See Final Joint Staff Memorandum).

8. Staff is of the opinion that the cost per customer of the project is reasonable and the project is financially feasible. (See Final Joint Staff Memorandum).

9. The proposed funding for the project consists of a $950,000 USDA/Rural Utilities Service (RUS) grant, a $1,400,000 RUS loan repayable over 40 years at 4.125% interest and a $50,000 contribution from the Utility. Forty percent of the project cost is grant-funded. (See Final Joint Staff Memorandum).

10. The Utility's rates will need to be increased 16.3% as a result of the project. The Staff-recommended rates result in an increase proposed annual revenue of $91,422. The rates recognize increased operation and maintenance expenses of $36,899, and increased debt service and reserve requirements related to the project. The Staff-recommended rates result in a total cash flow surplus of $5,214 and a debt service coverage of 115.02%. (See Further Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

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

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

3. The Staff-recommended rates are reasonable, just, based primarily on the cost of providing service and should be approved for all service rendered after substantial completion of the project.

ORDER

IT IS, THEREFORE, ORDERED that the Tennerton Public Service District's application for a certificate of convenience and necessity to construct an extension to its sanitary sewer collection system, which it filed on May 11, 2007, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing, consisting of a USDA-RUS loan at 4.125% interest for 40 years in the amount of $1,400,000, an RUS grant in the amount of $950,000 and a Utility cash contribution in the amount of $50,000 be, and hereby is, approved.

IT IS FURTHER ORDERED that the attached rates for the Utility be, and hereby are, approved for use by the Utility upon substantial completion of the project. The Utility shall file with the Commission a proper revised tariff sheet and at least five copies within thirty days of the date that the project is placed in service.

IT IS FURTHER ORDERED that the granting of this application is contingent upon the Utility's receipt of all additional required permits, including the permit from the Department of Environmental Protection, the permit from the Division of Highways, the permit from the Public Land Corporation and the permit from the U.S. Army Corps of Engineers.

IT IS FURTHER ORDERED that, if there are any changes in the plans, scope or financing of the project, or if a change in project cost affects the rates necessary to support the project, the Utility must seek to reopen this proceeding.

IT IS FURTHER ORDERED that Tennerton Public Service District provide a copy of the Engineer's certified tabulation of bids within ten days of the bid opening date to the Commission.

IT IS FURTHER ORDERED that Tennerton Public Service District provide the Commission with a copy of the certificate of substantial completion for each contract within ten days of issuance.

IT IS FURTHER ORDERED that the Tennerton Public Service District comply with all rules and regulations of the Division of Highways regarding the use of any Department of Highways' rights-of-way.

IT IS FURTHER ORDERED that this proceeding 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 within fifteen (15)

days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served the exceptions.

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

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

K. A. George

Keith A. George
Administrative Law Judge

KAG:mal
070827aa.wpd

CASE NO. 07-0827-PSD-CN
TENNERTON PUBLIC SERVICE DISTRICT
APPROVED RATES

APPLICABILITY
Applicable within the entire territory served.

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

RATE (Customers with metered supply)
Each 1,000 gallons used per month $7.76 per 1,000 gallons

MINIMUM CHARGE
No minimum bill will be rendered for less than $15.52 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE(Customers with non-metered water supply)
Equivalent of 4,000 gallons of water usage, $31.04 per month.

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

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

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

LEAK ADJUSTMENT
$2.69 per 1,000 gallons of water is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula.

$$Ci = VoVi + BoBi + SoSi$$

Ci = charge to unusual users per year
Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi = volume of wastewater from unusual users, in gallons per year
Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
Bi = weight of BOD from unusual users, in pounds per year
So = average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
Si = weight of total solids from unusual users, in pounds per year

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

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

RUS BULLETIN 1780-27
(Automated 8-97

2 9 MAR 2007

FORM APPROVED
OMB. No. 0575-0015

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE **Board of Directors**

OF THE **Tennerton Public Service District**

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS **Sewer**

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the **Tennerton Public Service District**
(Public Body)
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

ONE MILLION FOUR HUNDRED THOUSAND AND XX / 100 DOLLARS ($1,400,000.00)

pursuant to the provisions of **Chapter 16, Article 13A of the West Virginia Code** ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning. financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of $10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0015), Washington, DC 20503.

11. To acquire and maintain such i ance and fidelity bond coverage as may be requirec he Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed **$ 950,000.00**

under the terms offered by the Government; that **Chairman**

and **Secretary** of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas 2 Nays _____ Absent 1

IN WITNESS WHEREOF, the **Board of Directors** of the

Tennerton Public Service District has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 11 day of APR, 2007

Tennerton Public Service District

(SEAL)

By [signature]

Title CHAIRMAN

Attest: [signature]

Title Member

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Chairman of the **Tennerton Public Service District**

hereby certify that the **Board of Directors** of such Association is composed of

3 members, of whom 2 constituting a quorum, were present at a meeting thereof duly called and

held on the 11th day of April, 2007 ; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of April 17, 2008,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 17th day of April, 2008

John V. McGrew

Title CHAIRMAN

WATER OR WASTE SYSTEM GRANT AGREEMENT

UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL UTILITIES SERVICE

THIS AGREEMENT dated April 17, 2008 between

Tennerton Public Service District

a public corporation organized and operating under

Chapter 16, Article 13A of the West Virginia Code
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:
WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of **$ 2,400,000** and has duly authorized the undertaking of such project.

Grantee is able to finance not more than **$ 1,450,000** of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of **$ 1,450,000** has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed **$ 950,000** or **39.58%** percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed **39.58%** percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes

of service, adopted by resolution dated _____ , as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.
[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All that real property associated with the Tennerton PSD's wastewater collection system.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.
[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than $5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of $5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated an fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland ``Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of $100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:
[Revision 1. 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term ``facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed **$950,000.00**. which it will advance to Grantee to meet not to exceed **39.58%** percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Chairman

and attested and its corporate seal affixed by its duly authorized

Attest:

By: Rex N Reeder

(Title) PSD Member

By: John V. McSerwin Jr

(Title) CHAIRMAN

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: [signature] Rural Development Specialist
(Title)

TENNERTON PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

RECEIPT FOR BONDS

The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies this 17th day of April, 2008 as follows:

1. On the 17th day of April, 2008, at Buckhannon, West Virginia, the undersigned received for the Purchaser the single, fully registered Tennerton Public Service District Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture), No. AR-1, in the principal amount of $1,400,000 (the "Series 2008 A Bonds"), dated the date hereof, bearing interest at the rate of 4.125% per annum, payable in monthly installments as stated in the Bonds. The Bonds represent the entire above-captioned Bond issue.

2. At the time of such receipt, the Bonds had been executed and sealed by the designated officials of the Public Service Board of Tennerton Public Service District (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of $173,600, being a portion of the principal amount of the Series 2008 A Bonds. Further advances of the balance of the principal amount of the Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

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

Authorized Representative

03.14.08
893440.00001

CH3371322.1

SPECIMEN

UNITED STATES OF AMERICA
TENNERTON PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,400,000

No. AR-1

Date: April 17, 2008

FOR VALUE RECEIVED, TENNERTON PUBLIC SERVICE DISTRICT (herein called "Issuer") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, 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 ONE MILLION FOUR HUNDRED THOUSAND DOLLARS ($1,400,000), plus interest on the unpaid principal balance at the rate of 4.125% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $6,090, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, 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 Issuer as requested by Issuer and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part 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 Issuer. Refunds and extra payments, as defined in the regulations of the Government 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 Issuer to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Issuer 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 Issuer 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 Issuer, 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 Issuer 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 Issuer to the Government without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Issuer 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 additions, extensions and improvements to the sewerage system (the "System") of the Issuer, 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 Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Issuer, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolutions and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Issuer duly adopted March 26, 2008, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Issuer 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, Issuer 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 Issuer made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE ISSUER:

(1) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 18, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $585,627 (THE "SERIES 1997 A BONDS");

(2) SEWER REVENUE BONDS, SERIES 2001 A, DATED SEPTEMBER 13, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $370,000 (THE "SERIES 2001 A BONDS"); AND

(3) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 12, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $169,883.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IN WITNESS WHEREOF, TENNERTON PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

TENNERTON PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

Chairman

SPECIMEN

ATTEST:

Secretary

SPECIMEN

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 173,600	April 17, 2008	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TENNERTON PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Note No.	Date of Registration	In Whose Name Registered	Signature of Recorder of Registrar
AR-1	April 17, 2008	United States of America	

03.11.08
893440.00001

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
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www.steptoe-johnson.com

Writer's Contact Information

April 17, 2008

Tennerton Public Service District
Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

Tennerton Public Service District
Buckhannon, West Virginia

United States Department of Agriculture
Elkins, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Tennerton Public Service District in Upshur County, West Virginia (the "Issuer"), of its $1,400,000 Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture), dated the date hereof (the "Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution of the Issuer duly adopted April 15, 2008 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Resolution 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, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing public service district and public corporation and a political subdivision of the State of West Virginia, with corporate power to adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.

2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

TERRALEX
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3. Pursuant to the Act, the Resolution creates a valid lien on the funds pledged by the Resolution for the security of the Bonds on a parity with the Issuer's (i) Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated September 18, 1997, issued in the original aggregate principal amount of $585,627, (ii) Sewer Revenue Bonds, Series 2001 A, dated September 13, 2001, issued in the original aggregate principal amount of $370,000, and (iii) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority) dated March 12, 1986, issued in the original aggregate principal amount of $169,883, all in accordance with the Bonds and the Bond Legislation.

4. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Resolution.

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

04.08.08
893440.00001

CH3371368.1

THOMAS R. ROSS II
Attorney at Law
209 Randolph Avenue
P.O. Box 2448
Elkins, WV 26241

Phone: (304) 637-0117
email: trross@citynet.net

Facsimile: (304) 637-0119

April 17, 2008

Tennerton Public Service District
Sewer Revenue Bonds, Series 2008A
(United States Department of Agriculture)

Tennerton Public Service District
Buckhannon, West Virginia

Steptoe & Johnson
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Tennerton Public Service District, a public service district in Upshur County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a resolution of the Issuer duly adopted on March 26, 2008 (the "Resolution"), other documents and papers relating to the issuer and the above-captioned Bonds of the Issuer (the "Bonds") and documents and orders of The County Commission of Upshur County relating to the creation of the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used in the Resolution and not otherwise defined herein shall have the same meanings as defined in the Resolution when used herein.

I am of the opinion that:

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

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

3. The Resolution has been duly adopted by the issuer and is in full force and effect.

4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Resolution, and the carrying out of the terms thereof, do not and will not, in any material respect, to the best of my knowledge, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or

instrument to which the issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the due creation and valid existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from The County Commission of Upshur County and the Public Service Commission of West Virginia, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has duly published a notice of the acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

6. The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision of the Public Service Commission of West Virginia entered on October 11, 2007, in Case No. 07-0829-PSD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of said Final Order has expired prior to the date hereof. Such Order remains in full force and effect.

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

Very truly yours,

Thomas R. Ross II

Thomas R. Ross II

TRR:jlm

TENNERTON PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BONDS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES, ETC.
6. CERTIFICATION OF COPIES OF DOCUMENTS
7. INCUMBENCY AND OFFICIAL NAME, ETC.
8. DELIVERY AND PAYMENT AND USE OF PROCEEDS
9. LAND AND RIGHTS-OF-WAY
10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
11. CONTRACTORS' INSURANCE, ETC.
12. CONNECTIONS, ETC.
13. MANAGEMENT
14. GRANTS
15. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Tennerton Public Service District in Upshur County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, acting for the Issuer and in its name, hereby state and certify in connection with the Tennerton Public Service District Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture) (the "Series 2008 A Bonds"), No. AR-1, fully registered, in the principal amount of $1,400,000, dated the date hereof and bearing interest at the rate of 4.125% per annum, this 17th day of April, 2008 as follows:

1. AUTHORIZATION AND AWARD OF BONDS: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Series 2008 A Bonds has been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to Letter of Conditions of the Purchaser, dated April 11, 2007, and all amendments thereto, and as appears in Section 7.03 of the Resolution of the Issuer duly adopted March 26, 2008, authorizing issuance of the

Series 2008 A Bonds (the "Resolution" or "Bond Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning as defined in the Resolution when used herein. The Series 2008 A Bonds are being issued on this date to finance the cost of the acquisition and construction of the Project located within the boundaries of the Issuer.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Series 2008 A Bonds or receipt of any grant monies committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2008 A Bonds; nor in any way questioning or affecting the validity of the grants committed for the System or the Series 2008 A Bonds, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any monies or security therefor; nor questioning the existence, powers or proceedings of the Issuer or its Public Service Board (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the System or the acquisition and construction of the Project, a portion of the cost of which is being financed out of the proceeds of sale of the Series 2008 A Bonds; nor questioning the rates and charges provided for services of the System.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2008 A Bonds, have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project were solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Recommended decision of the Public Service Commission of West Virginia entered on October 11, 2007, in Case No. 07-0827-PSD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project and approving the rates and charges of the System. The time for appeal of the Final Order has expired prior to the date hereof. The Order remains in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval by the Purchaser of a loan to assist in acquisition and construction of the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's (i) Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated September 18, 1997, issued in the original aggregate principal amount of $585,627 (the "Series 1997 A Bonds"), (ii) Sewer Revenue Bonds, Series 2001 A, dated September 13, 2001, issued in the original aggregate principal amount of $370,000 (the "Series 2001 A Bonds"), and (iii) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated March 12,1986, issued in the original aggregated principal amount of $169,883 (the "Series 1986 B Bonds") (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by Net Revenues of the System.

The Issuer is not in default under the terms of the Prior Bonds, or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

5. SIGNATURES, ETC.: The undersigned Chairman and Secretary did, for the Issuer on the date of delivery of the Series 2008 A Bonds on the date hereof, officially execute and seal the Series 2008 A Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected, appointed, qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2008 A Bonds for the Issuer.

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

Bond Resolution

Supplemental Resolution

Prior Bond Resolutions

Consent of WDA to Issuance of Parity Bonds

Consent of Capital State Bank

Public Service Commission Order

United States Department of Agriculture Loan Resolution

County Commission Orders Regarding Creation of the District

County Commission Orders of Appointment of Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Notice of Filing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

United States Department of Agriculture Letter of Conditions

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Tennerton Public Service District" and its principal office and place of business are in Upshur County, West Virginia. The Issuer is a public service district and public corporation and political subdivision of the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of three duly appointed, qualified and acting members, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
John V. McGrew, Jr.	July 31, 2007	July 31, 2012
Rex Reeder	July 31, 2005	July 31, 2011
John Jenkins	July 31, 2003	July 31, 2009

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2008 are as follows:

Chairman - John V. McGrew, Jr.
Secretary - John Jenkins
Treasurer - Rex Reeder

The duly appointed and acting Attorney for the Issuer is Thomas R. Ross, II, Elkins, West Virginia.

8. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Series 2008 A Bonds were delivered to the Purchaser at Buckhannon, West Virginia, by the undersigned Chairman for the purposes set forth herein, and at the time

of such delivery the Series 2008 A Bonds had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Resolution.

At the time of delivery of the Series 2008 A Bonds, the amount of $173,600 was received by the undersigned Chairman, being a portion of the principal amount of Series 2008 A Bonds. Further advances of the balance of the principal amount of the Series 2008 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

The Series 2008 A Bonds are dated the date hereof, and interest on advances of the principal thereof at the rate of 4.125% per annum is payable from the date of each such advance.

The Series 2008 A Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

9. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition, construction, operation and maintenance of the Project and the System have been acquired or can and will be acquired by purchase, or if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Series 2008 A Bonds.

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

11. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions of the Purchaser, as amended, and the Bond Resolution.

12. CONNECTIONS, ETC.: The Issuer will serve at least 791 bona fide full-time users upon the System on completion, in full compliance with the requirements and conditions of the Purchaser.

13. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by such Purchaser.

14. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2008 A Bonds, the Bond Resolution and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Resolution. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

15. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Series 2008 A Bonds.

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

[Remainder of Page Intentionally Left Blank]

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
John T. McLean Jr.	Chairman
[illegible]	Secretary
Thomas R. Ross II	Attorney for Issuer

03.11.08
893440.00001

TENNERTON PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Daniel E. Ferrell, Registered Professional Engineer, West Virginia License No. 13462 of Thrasher Engineering, Inc., Clarksburg, West Virginia, hereby certify this 17th day of April, 2008 that my firm is the engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing sewerage system (the "System") of Tennerton Public Service District (the "Issuer"), to be acquired and constructed in Upshur County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned bonds of the Issuer.

I further certify that the Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm and that the System and the Project are situate wholly or chiefly within the boundaries of the Issuer.

I further certify that the Project is adequate for the purpose for which it was designed and that all necessary governmental approvals, consents, authorizations, certificates and permits for the acquisition and construction thereof have been obtained or can and will be obtained.

[Remainder of Page Intentionally Blank]

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

THRASHER ENGINEERING, INC.

Daniel E. Ferrell
West Virginia License No. 13462

DANIEL E. FERRELL
REGISTERED
13462
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

CH911126.1

HARRIS & COMPANY

Certified Public Accountants

Buckhannon Office
P.O. Box 732
Buckhannon, WV 26201
(304) 472-1928

Weston Office
235 North River Avenue
Weston, WV 26452
(304) 269-2269

April 17, 2008

Tennerton Public Service District
Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

Tennerton Public Service District
Buckhannon, West Virginia

United States Department of Agriculture
Elkins, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision of the Public Service Commission of West Virginia entered October 11, 2007, in Case No. 07-0827-PSD-CN, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Thrasher Engineering, Inc., it is my opinion that such rates and charges (i) will provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture)(the "Series 2008 A Bonds") and the Prior Bonds, as herein after defined, and sufficient to make the payments required into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and (ii) be sufficient to provide revenues to pay all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2008 A Bonds, to be issued in the aggregate principal amount of $1,400,000 on the date hereof, and all other obligations secured by or payable from the revenues of the System on a parity with the Series 2008 A Bonds, including the Issuer's Sewer Revenue Bonds, Series 1997 A, Sewer Revenue Bonds, Series 2001 A, and Sewer Revenue Bonds, Series 1986 B (collectively, the "Prior Bonds").

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2008 A Bonds and the Prior Bonds.

Very truly yours,

Harris & Company

HARRIS AND COMPANY, CPAS

July 12, 1971

327	Bernard Layman	Apprs fees	2.00
328	Kenneth Lantz	do	2.00
329	James Lee	Appr fee	1.00
	y Lee	do	1.00
	. McKisic	do	1.00
	Perrine	Sheep killed	55.00
	e Rice	Apprs fees	3.00
	ard Riffle	Appr fee	1.00
	s G. Pexroad	Notary fee	2.50
	n Snyder	Appr fee	1.00
	Seidel	Sheep killed	60.00
	Shobe	Appr fee	1.00
339	Cecil Carples	do	1.00
340	Bertha Waugh	Notary fees	17.50
341	F O Withers	Notary fee	2.50

A Resolution and Order fixing a date of hearing on the creation of a proposed public service district within Upshur County, West Virginia; and providing for the publication of a notice of such hearing.

###

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

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

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

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

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

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

(a) The name and corporate title of said public service district shall be the "Tennerton Public Service District".

(b) The territory to be embraced in said public service district shall be as follows:

"Beginning at a point in the center of the Buckhannon River and confluence of Cutwright Run; thence N. 20° 00' W. 1.04 miles to a point having a latitude of N. 38° 57' 32" and longitude W. 80° 15' 33"; thence N. 0.80 miles to a point having a latitude of N. 38° 58' 13" and longitude W. 80° 15' 33"; thence N. 67° 00' E. 1.34 miles to a point having a latitude of N. 38° 58' 40" and longitude W. 80° 14' 09"; thence S. 68° 00' E. 1.30 miles; thence S. 15° 00' E. 1.85 miles to a point having a latitude of N. 38° 56' 42" and longitude W. 80° 12' 17"; thence S. 30° 00' W. 0.67 miles to a point having a latitude of N. 38° 56' 12" and longitude W. 80° 12' 39"; thence W. 0.63 miles to beginning, containing 5.75 square miles, all of which is located in Buckhannon and Washington Magisterial Districts, Upshur County, West Virginia, and being 0.2 mile south of the corporate limits of the City of Buckhannon and generally along West Virginia State Route 4 and Secondary Route 9 and each side of the Buckhannon River, as shown upon map prepared by J. H. Milam, Inc., 1214 Myers Avenue, Dunbar, West Virginia, dated August 26, 1970.

(c) The purpose of said public service district shall be to construct, or acquire by purchase or otherwise, and maintain, operate, improve and extend properties supplying water and sewerage services within such territory and also outside such territory to the extent permitted by law.

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

MONDAY, JULY 12th, 1971

Section 3. That on the 2nd day of August, 1971, at the hour of 7:30 o'clock p.m., this County Court shall meet in the High School Cafeteria in Tennerton, West Virginia, for the purpose of conducting a public hearing on the creation of the proposed public service district at which time and place all persons residing in or owning or having any interest in property in the proposed public service district may appear before this County Court and shall have an opportunity to be heard for and against the creation of said district, and at such hearing, this County Court shall consider and determine the feasibility of the creation of the proposed public service district.

Section 4. That the County Court Clerk is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on the 15th day of July, 1971, in the Republican-Delta, a newspaper of general circulation published in Upshur County:

APPROVED
JUL 12 1971
Howard C. Gould

Ordered that this Court do adjourn until 2:00 P.M., July 12th, 1971, for a Special Session.

Howard C. Gould President

SPECIAL SESSION - MONDAY, JULY 12th, 1971, 2:00 PM

Buckhannon, West Virginia
July 12, 1971

The County Court of Upshur County, West Virginia, met this day in special session held this 12th day of July 1971 at 2:00 p.m., pursuant to the call of Howard Gould, President, Raymond Phillips, Commissioner, and Wilson Harper, Commissioner, said call being;

"To consider a petition of residents and property owners of Tennerton, Buckhannon and Washington Magisterial Districts, Upshur County, West Virginia, asking for the creation of a public service district in the area therein described, and to adopt a proposed resolution and enter a proper order fixing a date of hearing on the creation of a public service district in Tennerton, Buckhannon and Washington Magisterial Districts, Upshur County, West Virginia, as set forth in said petition and to provide for the publication of a notice of such hearing."

The meeting was called to order and the roll being called there were present, Howard Gould, President, presiding, and the following named commissioners:

Raymond Phillips

Wilson Harper

And were absent:

None

Raymond Phillips introduced and caused to be read a proposed resolution and order entitled:

"A resolution and order fixing a date of hearing on the creation of a public service district within Upshur County, West Virginia; and providing for the publication of a notice of such hearing",

and moved that all rules otherwise requiring deferred consideration be suspended and said proposed resolution and order be adopted. Wilson Harper seconded the motion and after due consideration the President put the question on the motion, and the roll being called the following voted:

Aye:

Howard Gould

Raymond Phillips

Wilson Harper

Nay:

None

Whereupon the president declared the motion duly carried and said resolution and order duly adopted on motion and vote, the meeting was thereupon adjourned.

Virginia K. Murray
Clerk

Howard C. Gould
President

Ordered that this Court do adjourn until Monday, July 19th, 1971.

President

STATE OF WEST VIRGINIA,
Upshur County, ss:

I, DEBBIE THACKER WILFONG, Clerk of the County Commission of Upshur County, West Virginia, do hereby certify that the foregoing writing is a true copy from the records in my office, the same appearing in LAW ORDER Book No. 7 at page No. 130.

Given under my hand and the seal of said Commission this 1ST day of MAY, 19 97.

DEBBIE THACKER WILFONG
Clerk, County Commission

BY: Rose M Carter DEPUTY

8/10/71

		JUSTICE FINE FUND	
285	Valley Supply Co	Steel - Jail	122.54
286	Beulah B Shomo	J P fees	318.00
287	D F Shomo	do	205.50
		DOG TAX FUND	
353	James C Bennett	Dogs destroyed in July - Dog Warden & Depy Assessor	14.00
354	James C Bennett	July mileage - Dog Warden & Depy Assessor	62.20

This day, in open Court, appeared William A. Young, and moved the appointment of a Committee for Edna Louis Loudin, an incompetent person. Notice, as required by law, having bee s Loudin, the Court immediately proceeded to inquire into the

hat the said Edna Louis Loudin, is not competent to trans-
act it is to her interest that a Committee be appointed;
ther y appointed as Committee for Edna Louis Loudin, incompe-
tent fied as such Committee, with Ohio Farmers Insurance Company,
by P t, as his surety.
mittee, William W. Wimer, Calvin Shreve and Robert R.
Post aid estate.

It is ordered that the estate of Edna Louis Loudin, incompetent, be referred to James H. Coleman, Jr., Commissioner of Accounts for Upshur County, for such action as may be necessary in the settlement thereof.

This day the Upshur County Court inspected the Upshur County Jail, and found it very untidy, very dirty, and littered. Found 5-gallon cans strewn around the jail, a wrecking-bar in occupied quarters, electric motor with home-made blade, which the Court considers very dangerous, in occupied quarters.

✓ IN RE: Tennerton Public Service District.

It appearing that the Upshur County Court held a Public Meeting on August 2nd, 1971, at 7:30 PM in the Buckhannon-Upshur High School Cafeteria, in accordance with Chapter 16, Article 13 A of the Code of West Virginia, for the purpose of establishing a Tennerton Public Service District. Thirty members of the proposed district appeared and no complaints were filed.

Upon the application of Roy T. Cosgrove for appointment as Notary Public in and for the County of Upshur, it was shown to the satisfaction of this Court that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office and that he is a person of good moral character. It is therefore ordered that the said application of Roy T. Cosgorve be certified to the Secretary of State for appointment as Notary Public, as aforesaid.

Ordered that this Court do adjourn until Monday, August 16th, 1971.

President

STATE OF WEST VIRGINIA,
Upshur County, ss:

I, DEBBIE THACKER WILFONG, Clerk of the County Commission of Upshur County, West Virginia, do hereby certify that the foregoing writing is a true copy from the records in my office, the same appearing in LAW ORDER Book No. 7 at page No. 152.

Given under my hand and the seal of said Commission this 1ST day of MAY, 19 97.

DEBBIE THACKER WILFONG
Clerk, County Commission

BY: [signature] DEPUTY

Buckhannon, West Virginia
August 2, 1971

The County Court of Upshur County, West Virginia, met in regular session pursuant to law and to the rules of said Court at the High School Cafeteria in Tennerton, West Virginia, at 7:30 o'clock P.m. The meeting was called to order and the roll being called there were present Howard Gould, President, presiding, and the following named Commissioners:

Raymond Phillips
Wilson Harper

Absent:
None

###

This being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed Tennerton Public Service District, as contemplated and provided for in a resolution and order adopted by the County Court on July 12, 1971, the President announced that all persons residing in or owning or having any interest in property in such proposed public service district desiring to be heard for or against the creation of said district would be heard and all such interested persons desiring to be heard were given full opportunity.

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

"A RESOLUTION AND ORDER creating Tennerton Public Service District in Upshur County, West Virginia,"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Wilson Harper seconded the motion and after due consideration the President put the question on the

motion and the roll being called, the following voted:

Aye:

Howard Gould

Raymond Phillips

Wilson Harper

Nay:

None

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

Raymond Phillips introduced and caused to be read a proposed resolution and order, entitled:

"A RESOLUTION AND ORDER appointing members to the public service board of the Tennerton Public Service District."

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Wilson Harper seconded the motion and after due consideration the President put the question on the motion and the roll being called, the following voted:

Aye:

Howard Gould

Raymond Phillips

Wilson Harper

Nay:

None

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

###

On motion and vote the meeting adjourned.

Howard C. Gould
President

ATTEST:

Virginia A. Murray
Clerk

A RESOLUTION AND ORDER creating
Tennerton Public Service District
in Upshur County, West Virginia

###

WHEREAS, the County Court of Upshur County, West Virginia, did heretofore by a resolution and order adopted August 2nd, _____, 1971, fix a date for a public hearing on the creation of the proposed Tennerton Public Service District and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed public service district might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said district; and,

WHEREAS, NOTICE of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed public service district and said County Court has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirable by said County Court to adopt a resolution and order creating said district:

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

Section 1. That a public service district within Upshur County, West Virginia, is hereby created, and said district shall have the following described boundaries.

"Beginning at a point in the center of the Buckhannon River and confluence of Cutwright Run; thence N. 20° 00' W. 1.04 miles to a point having a latitude of N. 38° 57' 32" and longitude W. 80° 15' 33"; thence N. 0.80 miles to a point having a latitude of N. 38° 58' 13" and longitude W. 80° 15' 33"; thence N. 67° 00' E. 1.34 miles to a point having a latitude of N. 38° 58' 40" and longitude W. 80° 14' 09"; thence S. 68° 00' E. 1.30 miles; thence S. 15° 00' E. 1.85 miles to a point having a latitude of N. 38° 56' 42" and longitude W. 80° 12' 17"; thence S. 30° 00' W. 0.67 miles to a point having a latitude of N. 38° 56' 12" and longitude W. 80° 12' 39"; thence W. 0.63 miles to beginning, containing 5.75 square miles, all of which is located in Buckhannon and Washington Magisterial Districts, Upshur County, West Virginia, and being 0.2 miles south of the corporate limits of the City of Buckhannon and generally along West Virginia State Route 4 and Secondary Route 9 and each side of the Buckhannon River, as shown upon map prepared by J. H. Milam, Inc., 1214 Myers Avenue, Dunbar, West Virginia, dated August 26, 1970.

Section 2. That said public service district so created shall have the name and corporate title of "Tennerton Public Service District" and shall constitute a public corporation and political subdivision of the State of West Virginia having all of the rights and powers conferred on public service districts by the laws of the State of West Virginia and particularly Article 13A of Chapter 16 of the West Virginia Code.

Section 3. That the County Court of Upshur County, West Virginia, has determined that the territory within Upshur County, West Virginia, having the hereintoabove described boundaries, is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying both water and sewerage services within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of such area.

ADOPTED BY THE COUNTY COURT Aug 23, 1971

Howard O. Gorrell
President

ATTEST:

Virginia K. Murray
Clerk

A RESOLUTION AND ORDER appointing members to the public service board of the Tennerton Public Service District.

###

WHEREAS, the County Court of Upshur County, West Virginia, did heretofore by resolution and order adopted August 23,1971, 1971 create the Tennerton Public Service District; and,

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

WHEREAS, since there is not city, incorporated town or other municipal corporation included within said district, it is provided by said Article 13A of Chapter 16 of the West Virginia Code that this County Court shall appoint three (3) members of said board, who shall be persons residing within the district;

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

Section 1. That the County Court of Upshur County, West Virginia, hereby finds and determines that Rex Post, Blaine Robinson and, Dallas Pugh are persons residing within the Tennerton Public Service District, and the aforesaid persons are hereby appointed as members of the public service board of said district and their respective terms of office shall be as follows:

Rex Post for a term of six (6) years from the first day of the month in which this resolution and order is adopted;

Blaine Robinson for a term of four (4) years from the first day of the month in which this resolution and order is adopted; and,

Dallas Pugh for a term of four (4) years from the first day of the month in which this resolution and order is adopted.

Section 2. The aforesaid persons shall meet as soon as practicable, at the office of the Clerk of Said County Court and shall qualify by taking an oath of office, and thereafter said appointees constituting the initial public service board of the Tennerton Public Service District shall meet and organize in compliance with the provisions of Article 13A of Chapter 16 of the West Virginia Code.

ADOPTED BY THE COUNTY COURT Upshur, 1971.

Howard R. Gould
President

ATTEST:

Virginia K. Murray
Clerk

STATE OF WEST VIRGINIA)
) ss.
COUNTY OF UPSHUR)

I, Virginia K. Murray, hereby certify that I am the duly qualified and acting Clerk of the County Court of Upshur County, West Virginia, and that the foregoing constitutes a true, correct and complete transcript of the proceedings of said County Court as had under date of August 23, 1971, ~~xxxx~~, and resolutions and orders then adopted relating to the creation of Tennerton Public Service District, and appointment of members to the public service board of said district.

IN WITNESS WHEREOF, I have hereunto fixed my official signature and seal of said Court at Buckhannon, West Virginia, this August 23rd, 1971.

Virginia K. Murray
County Court Clerk

Ordered that this Court do adjourn until Monday, August 30th, 1971.

President

STATE OF WEST VIRGINIA,
Upshur County, ss:

I, DEBBIE THACKER WILFONG, Clerk of the County Commission of Upshur County, West Virginia, do hereby certify that the foregoing writing is a true copy from the records in my office, the same appearing in LAW ORDER Book No. 7 at page No. 160.

Given under my hand and the seal of said Commission this 1ST day of MAY, 19 97.

DEBBIE THACKER WILFONG
Clerk, County Commission

BY: Rose M Clutter DEPUTY

4/21/95

THURSDAY, APRIL 21, 1995

The County Commission of Upshur County, West Virginia, held their regular meeting at the Courthouse thereof, on Thursday, April 20, 1995. The meeting was called to order at 9:00 a.m. by Joyce L. Harris-Thacker, President. There were present Joyce L. Harris-Thacker, Commissioner; George H. Roessing, Jr., Commissioner; Rick Rice, Commissioner; William A. Parker, County Coordinator; and Debbie Thacker Wilfong, County Clerk.

On motion by George H. Roessing, Jr., seconded by Rick Rice, the Commission approved the minutes of April 13, 1995, with notation of corrections.

On motion by Rick Rice, seconded by Joyce L. Harris-Thacker, the Commission approved the minutes of April 18, 1995.

The Commission reviewed the procedures to reduce the Tennerton Public Service District. On motion by Rick Rice, seconded by George H. Roessing, Jr., the Commission unanimously made a motion to set the date for a public hearing. The Commission set the Public Hearing date for May 18th, 1995, at 1:30 p.m. The hearing will address the service to Brushy Fork Area. City of Buckhannon will provide service if the area of the Public Service District is reduced.

STATE OF WEST VIRGINIA,
Upshur County, ss:

I, DEBBIE THACKER WILFONG, Clerk of the County Commission of Upshur County, West Virginia, do hereby certify that the foregoing writing is a true copy from the records in my office, the same appearing in LAW ORDER Book No. 19 at page No. 231.

Given under my hand and the seal of said Commission this 1ST day of MAY, 19 97.

DEBBIE THAKCER WILFONG
Clerk, County Commission

BY: [signature] DEPUTY

5/18/95

COPY

UPSHUR COUNTY COMMISSION

Upshur County Courthouse Annex
38 West Main Street, Room 302 • Buckhannon, West Virginia 26201

Telephone: (304) 472-0535
Telecopier: (304) 472-2399

TDD Numbers
Business: 472-9550
Emergency: 911

At a regular session of the County Commission of Upshur, held on the 18th day of May, 1995, the following order was made and entered:

SUBJECT: The reduction of the service area of the Tennerton Public Service District in the "Brushy Fork Area" of Upshur County. Area is outlined and described in attachments .

RESOLVED: That subject to approval of the Public Service Commission of West Virginia and on a motion duly made and seconded the Commission of Upshur does hereby direct that the service area of the Tennerton Public Service District be reduced as outlined and described in the attachments.

Whereon, Joyce L. Harris-Thacker, President, declared said order duly adopted and it is therefore adjudged and ordered that said order be hereby adopted as so stated above. William A. Parker, County Administrator, is directed to file this order and attachments with the Public Service Commission of West Virginia for final disposition.

Joyce L. Harris-Thacker

Joyce L. Harris-Thacker
President

5/3/95

State of West Virginia, County of Upshur, ss:

Christie Boone ..... Advertising Manager

Record Delta, a newspaper published at Buckhannon in the said county, do hereby certify that the annexed NOTICE OF PUBLIC HEARING

was published once a week for ONE WEEK (1) successive weeks in said Record Delta newspaper published as aforesaid, commencing on the 3rd day of May days of 1995

Given under my hand this 19th day of Sept. day of 1995

Christie Boone ... Advertising Manager

Printers fee $ 51.75

WEST VIRGINIA, UPSHUR COUNTY, TO-WIT:

Subscribed and sworn to before me this 19th day of Sept day of 1995

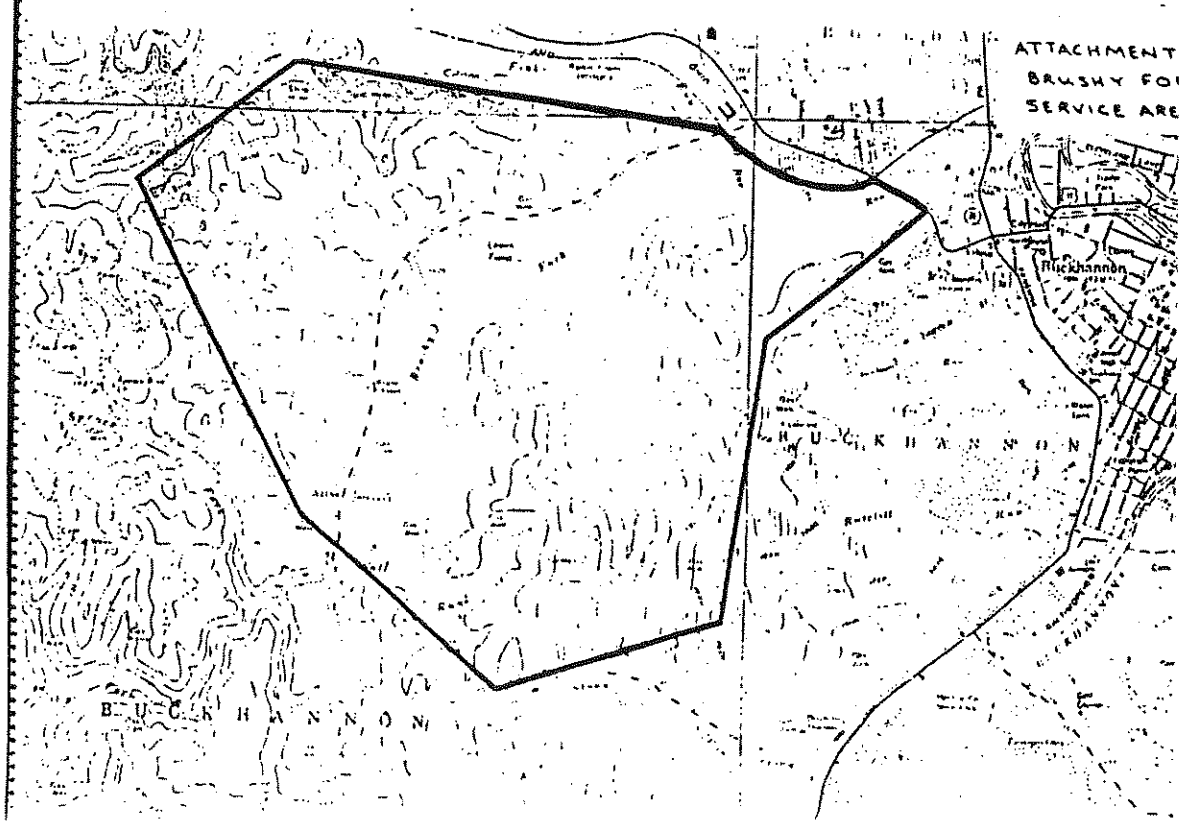
Phyllis J. Neuhardt ..... Notary Public.

My Commission expires May 26, 2003

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
PHYLLIS J. NEUHARTH
RT. 2 BOX 23
FRENCH CREEK, WV 26218
My Commission Expires May 26, 2003

NOTICE OF PUBLIC HEARING
UPSHUR COUNTY COMMISSION

During a regular meeting conducted on April 20, 1995, eht County Commission of Upshur deemed it necessary, feasible and propoer to reduec the area of the Tennerton Public Service District. This area is known as the "Brushy Fork Service Area: and is outlined on the map below, Attachment I. On a motion duly made and seconded the County Commission of Upshur has set a public hearing to consider comments and/or objections before a final decision is rendered. The hearing will be held at the Upshur County Courthouse (Room201) at 1:30 p Thursday, May 18, 1995, to c removing this area from the Ter Public Service District and allow City of Buckhannon to provide s service to the area.



DESCRIPTION OF SURVEY

A parcel situate in Buckhannon District, Upshur County, West Virginia bounded and described as follows:

Beginning at a point at the Intersection of West Virginia Secondary Route 20/7 and West Virginia Secondary Route 14;

Thence N49-30W 5550' more or less to a point South of West Virginia Secondary Route 14, West of the community of Atlas;

Thence N28W 7900' more or less to a point on top of a ridge;

Thence N54-30E 4450' more or less to a point;

Thence S82E 9000' more or less to a point at the Intersection of West Virginia Secondary Route 7 and Corridor "H";

Thence with Corridor "H" to the Intersection of Old West Virginia Route 33, now West Virginia Route 151:

Thence with said West Virginia Route 151 approximately 1200' more or less to a point in said West Virginia Route 151;

Thence leaving said West Virginia Route 151, S50-30W 4350' more or less to a point;

Thence S07-30W 6150' more or less to a point;

Thence S72W 4950' to the Beginning.

It is the Intention of this Description to provide a Metes and Bounds Description showing part of the Water Shed of Brushy Fork and Fall Run.

This Description was Protracted and Scaled from a 1" = 2000' United States Geological Survey Quadrangle Map.

Dale P. Bennett, PS-954
BENNETT SURVEYING
BUCKHANNON, WV 26201

DALE P. BENNETT
LICENSED
No. 954
STATE OF
WEST VIRGINIA
PROFESSIONAL SURVEYOR

6/8/95

COPY

UPSHUR COUNTY COMMISSION

Upshur County Courthouse Annex
38 West Main Street, Room 302 • Buckhannon, West Virginia 26201

Telephone: (304) 472-0535
Telecopier: (304) 472-2399

TDD Numbers
Business: 472-9550
Emergency: 911

At a regular session of the County Commission of Upshur, held on the 8th day of June, 1995, the following order was made and entered:

SUBJECT: The reduction of the service area of the Tennerton Public Service District. Area is outlined and described in attachments.

RESOLVED: That subject to approval of the Public Service Commission of West Virginia and on a motion duly made and seconded the Commission of Upshur does hereby direct that the service area of the Tennerton Public Service District be reduced as outlined and described in the attachments.

Whereon, Joyce L. Harris-Thacker, President, declared said order duly adopted and it is therefore adjudged and ordered that said order be hereby adopted as so stated above. William A. Parker, County Administrator, is directed to file this order and attachments with the Public Service Commission of West Virginia for final disposition.

Joyce L. Harris-Thacker

Joyce L. Harris-Thacker
President

10/23/95

Christie Boone ..... Advertising Manager

Record Delta, a newspaper published at Buckhannon in the said county, do hereby certify that the annexed NOTICE OF PUBLIC HEARINGS

was published once a week for one week (1) successive weeks in said Record Delta newspaper published as aforesaid, commencing on the 26th day of May days of 19 95

Given under my hand this 23rd day of Oct. day of 19 95

Christie Boone ... Advertising Manager

Printers fee $ 82.20

WEST VIRGINIA, UPSHUR COUNTY, TO-WIT:

Subscribed and sworn to before me this 23rd day of Oct day of 19 95

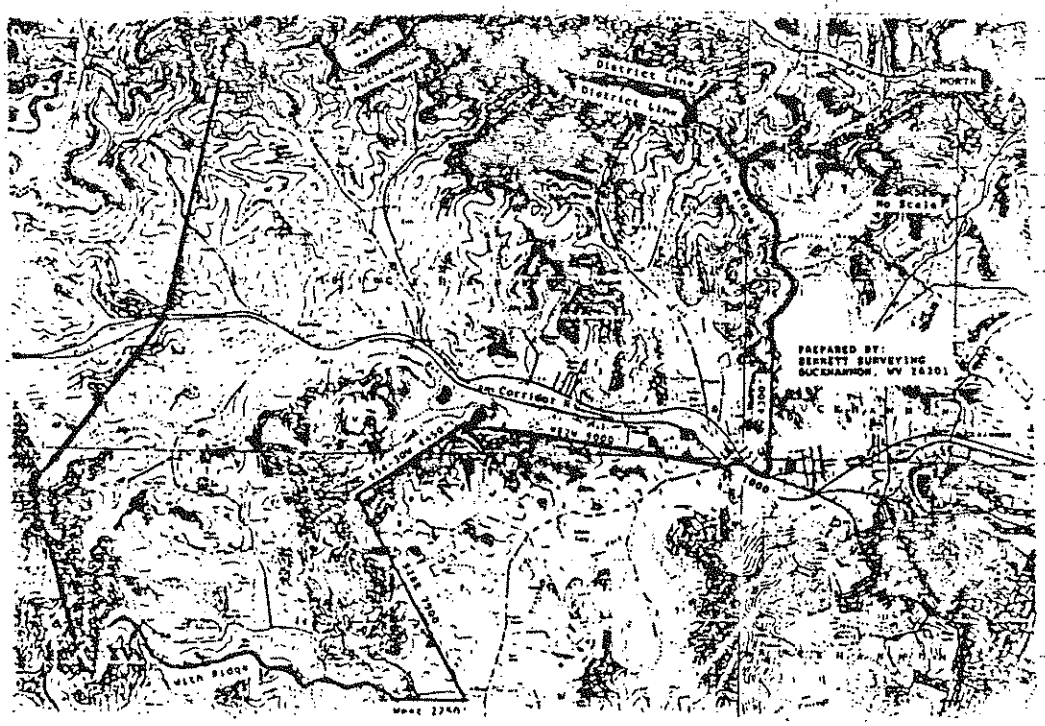
Phyllis J. Neuhart ..... Notary Public.

My Commission expires May 26, 2003

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
PHYLLIS J. NEUHARTH
RR 2, BOX 95
FRENCH CREEK, WV 26218
My Commission Expires May 26, 2003

NOTICE OF PUBLIC HEARING
conducted by the
UPSHUR COUNTY COMMISSION

During a regular meeting conducted on May 4 1995 the County Commission of Upshur deemed it necessary, feasible and proper to reduce the area of the Tenneton Public Service District. (Area is outlined and described below) On a motion duly made and seconded the County Commission of Upshur has set a public hearing to consider comments and/or objections before a final decision is rendered. The hearing will be held at the Upshur County Courthouse (Room 201) at 1:30 pm on Thursday, June 8, 1995, to consider removing the area from Tenneton Public Service District allowing the City of Buckhannon to pr sewage service to the area



DESCRIPTION OF SURVEY

A parcel situated in Buckhannon District, Upshur County, West Virginia bounded and described as follows.

Beginning at a point at the intersection of Corridor "H" and West Virginia Secondary Route 7, N82W 9000' to a point on Ridge.

Thence S28E 7900' to a point South of West Virginia Secondary Route 14 and West of the Community of Atlas;
Thence West 2250' to a point on Ridge;
Thence with the top of Ridge until the Ridgeline intersects the Upshur County and Lewis County Line;
Thence with the top of Ridge until the Ridgeline intersects the Upshur County

Buckhannon District Line and the Warren District Line;
Thence with said District Line to a point on Ridge, said point being Southwest of Three Lick Run;
Thence leaving said District Line and Running with Ridge approximately 2750, to a point on Ridge;
Thence with a line parallel to and 100' West of the Western Right of Way Line of

Virginia Route 33;
Thence with said West Virginia 151, approximately 1000' to Intersection of West Virginia Seco Route 7;
Thence with West Virginia Seco Route 7 to the Beginning
This Description was protracted scalled from a 1" = 2000 United S Geological Survey Quadrangle Ma

DESCRIPTION OF SURVEY

A parcel situate in Buckhannon District, Upshur County, West Virginia bounded and described as follows:

Beginning at a point at the intersection of Corridor "H" and West Virginia Secondary Route 7, N82W 9000' to a point on Ridge;

Thence S54-30W 4450' to a point on Ridge;

Thence S28E 7900' to a point South of West Virginia Secondary Route 14 and West of the Community of Atlas;

Thence West 2250' to a point on Ridge;

Thence with the top of Ridge until the Ridgeline intersects the Upshur County and Lewis County Line;

Thence with the Upshur County and Lewis County Line approximately 25,350' to the Buckhannon District Line and the Warren District Line;

Thence with said District Line to a point on Ridge, said point being Southwest of Three Lick Run;

Thence leaving said District Line and Running with Ridge approximately 2750' to a point on Ridge;

Thence with a line parallel to and 100' West of the Western Right of Way Line of Center Street of the West View Addition, approximately 4300' to a point in West Virginia Route 151, Formerly Old West Virginia Route 33;

Thence with said West Virginia Route 151, approximately 1000' to the Intersection of West Virginia Secondary Route 7;

Thence with West Virginia Secondary Route 7 to the Beginning.

This Description was protracted and scalled from a 1" = 2000' United States Geological Survey Quadrangle Map.

Dale P. Bennett, PS-954
BENNETT SURVEYING
BUCKHANNON, WV 26201

DALE P. BENNETT
LICENSED
No. 954
STATE OF
WEST VIRGINIA
PROFESSIONAL SURVEYOR

Thursday, June 8, 1995

The Commission recessed at 12:00 until 1:30 for lunch.

At 1:30 p.m., the Commission recovened to conduct a Public Hearing on the reduction of the Tennerton Public Service District area. After discussion and comments from individuals in attendance, (copy included) and on motion by Rick Rice, seconded by Joyce L. Harris-Thacker, the Commission reduced the service area of the Tennerton Public Service District per the published notice (copy included).

The Commission received the following:

1. Objection to 1994 Report of Estate Administration for the Estate of Gertrude B. Howell, deceased (copy included)

The Commission were informed of the following:

Airport Authority - June 13 - 7:00 a.m.
Park Board Meeting - Park Facility - June 14
Arrive Clarksburg - Champion - June 19 - 1:30 p.m.

No other business, the meeting was adjourned at 3:15 p.m.

NOTICE OF PUBLIC HEARING
conducted by the
UPSHUR COUNTY COMMISSION

During a regular meeting conducted on May 4, 1995, the County Commission of Upshur deemed it necessary, feasible and proper to reduce the area of the Tennerton Public Service District. (Area is outlined and described below). On a motion duly made and seconded the County Commission of Upshur has set a public hearing to consider comments and/or objections before a final decision is rendered. The hearing will be held at the Upshur County Courthouse (Room 201) at 1:30 pm on Thursday, June 8, 1995, to consider removing the area from the Tennerton Public Service District and allowing the City of Buckhannon to provide sewage service to the area.

DESCRIPTION OF SURVEY

A parcel situate in Buckhannon District, Upshur County, West Virginia bounded and described as follows:

Beginning at a point at the intersection of Corridor "H" and West Virginia Secondary Route 7, N82W 9000' to a point on Ridge;

Thence S54-30W 4450' to a point on Ridge;

Thence S28E 7900' to a point South of West Virginia Secondary Route 14 and West of the Community of Atlas;

Thence West 2250' to a point on Ridge;

Thence with the top of Ridge until the Ridgeline intersects the Upshur County and Lewis County Line;

Thence with the Upshur County and Lewis County Line approximately 25,350' to the Buckhannon District Line and the Warren District Line;

Thence with said District Line to a point on Ridge, said point being Southwest of Three Lick Run;

Thence leaving said District Line and Running with Ridge approximately 2750' to a point on Ridge;

Thence with a line parallel to and 100' West of the Western Right of Way Line of Center Street of the West View Addition, approximately 4300' to a point in West Virginia Route 131, formerly Old West Virginia Route 32;

Thence with said West Virginia Route 131, approximately 1000' to the Intersection of West Virginia Secondary Route 7;

Thence with West Virginia Secondary Route 7 to the Beginning.

This Description was prepared and scalled from a 1" = 2000' United States Geological Survey Quadrangle Map.

Public Hearing — 6-8-95

William A. Parker	County Administrator
Mary J. Ryan	UPSWA - EMS
Tom M. Mott	UCDA
Terry Ihlas	Upsva - ETI
[illegible]	Bank S
Sam Ingrow	City of Buckhannon
Don Curtis	Bk Chamber of Comm
David A. Wilson	W.V. D.O.T.
John Barlow	City Council — Buckhannon
Burl Long	City of Buckhannon
Evelyn R. Lewis	Brushy Fork
Terry Gould	Mgr TPSD
Steve Andrews	Union Drilling
Allen Hamner	Member, Sanitary Board/Buckh.
John Y. McGrew Jr	Tennerton PSD
Mendy Nestor	Record Delta
Danny Ellis	PSC
Gary Farrell	PSC
Carol Jean Waetin	The Inter-Mountain

STATE OF WEST VIRGINIA,
Upshur County, ss:

I, DEBBIE THACKER WILFONG, Clerk of the County Commission of Upshur County, West Virginia, do hereby certify that the foregoing writing is a true copy from the records in my office, the same appearing in LAW ORDER Book No. 20 at page No. 12.

Given under my hand and the seal of said Commission this 1ST day of MAY, 19 97.

DEBBIE THACKER WILFONG
Clerk, County Commission

BY: DEPUTY

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
5-12-96

Entered: April 22, 1996

CASE NO. 95-1043-PSD-PC

UPSHUR COUNTY COMMISSION
Petition to reduce boundaries of
Tennerton Public Service District.

RECOMMENDED DECISION

PROCEDURE

On October 25, 1995, the Upshur County Commission filed a petition for the Public Service Commission's approval to reduce the boundaries of Tennerton Public Service District (District). The District's boundary reduction would allow the City of Buckhannon to extend its sewer system into this area.

On December 4, 1995, the Public Service Commission issued a Referral Order in this matter, referring this case to the Division of Administrative Law Judges for a decision to be rendered on or before May 22, 1996.

On December 15, 1995, Ronald E. Robertson, Jr., Staff Attorney, filed a Final Joint Staff Memorandum in this proceeding. Attached to that Memorandum was a Staff Final Recommendation from James W. Boggess, Jr., Utilities Analyst, Public Service District Division, dated December 12, 1995. According to Staff, it appears that the Upshur County Commission has substantially complied with the requirements of West Virginia Code §16-13A-2, and, therefore, Staff recommended approval of the District's boundary reduction. According to Staff, the next and final step to comply with the above-stated Code provision is to schedule a Public Service Commission hearing in Upshur County.

By Procedural Order entered on January 16, 1996, it was directed that the above-styled case be scheduled for hearing on February 9, 1996, at 10:00 a.m., in the County Commissioner's Hearing Room, Buckhannon, West Virginia. However, a notice of hearing was not attached to the January 16, 1996 Procedural Order.

By Procedural Order entered on February 8, 1996, the hearing scheduled for February 9, 1996, was cancelled and this matter rescheduled for hearing to be held on February 28, 1996. It was further ordered that the Upshur County Commission give notice of the hearing to be held in this matter on February 28, 1996, at 10:00 a.m., by publishing a copy of the notice of hearing, attached to the Order as Appendix A, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in

Upshur County, on a date between February 9, 1996, and February 23, 1996. The proper affidavit of publication was to be returned on or before February 28, 1996.

The February 28, 1996 hearing was held as scheduled. Mr. William Parker, County Administrator, appeared on behalf of the County Commission. Mr. Ronald E. Robertson, Jr., Esquire, appeared on behalf of Commission Staff. Mr. Rick Rice, President of Upshur County Commission, was also present.

EVIDENCE

Mr. William Parker, County Administrator, presented the affidavits of publication in this proceeding. (Tr., p. 4). Mr. Ronald Robertson, Staff Attorney, presented the Final Joint Staff Memorandum filed December 15, 1995. It was designated as Staff Exhibit No. 1 and admitted into evidence. (Tr., p. 5).

Mr. Robertson represented to the hearing that the District has substantially complied with West Virginia Code §16-13A-2, and that Staff's recommendation is that the Upshur County Commission's petition to reduce the boundaries of Tennerton Public Service District be approved, as filed. (Tr., p. 5).

FINDINGS OF FACT

1. On October 25, 1995, Upshur County Commission filed a petition with the Public Service Commission to reduce the boundaries of Tennerton Public Service District. (See, Petition).

2. No protests have been filed to the proposed boundary reduction. (Transcript and case file generally).

3. Commission Staff has recommended approval of the County Commission's order, since the County Commission has complied with the requirements of West Virginia Code §16-13A-2. (Staff Ex. No. 1).

CONCLUSION OF LAW

Since the District has substantially complied with West Virginia Code §16-13A-2, it is reasonable that the District's petition be approved as filed.

ORDER

IT IS, THEREFORE, ORDERED that the order of the Upshur County Commission, dated June 8, 1995, to reduce the boundaries of Tennerton Public Service District, be, and it hereby is, approved.

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

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

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

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

Miles C. Cary

Miles C. Cary
Administrative Law Judge

MCC:dfs

Upshur County Commission Meeting
September 11, 2003

The County Commission of Upshur County, West Virginia, held their regular meeting at the Courthouse Annex on Thursday, September 112003, at 9:00 a.m. The meeting was called to order by Kenneth T. Davidson. There were present Kenneth T. Davidson, Commissioner; Donnie R. Tenney, Commissioner; Stephen P. Abel, Commissioner; William A. Parker, Administrator and Terri Jo Bennett, Secretary. The meeting began with a moment of Silent Meditation, followed by the Pledge of Allegiance. All motions passed unanimously unless otherwise stated.

The Commission approved minutes for the regular meeting held September 4, 2003 via the General Consent Rule.

William Wellings, Buckhannon-Upshur Airport Authority, appeared before the Commission and provided an update/review of construction projects. After discussion, on motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission authorized the BUAA to salvage parts from and dispose of the county owned fire truck that is parked at the Upshur County Regional Airport.

On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission approved the recommendation to enter into a "Service Agreement" with Richard "Dick" Bennett for $800.00 per month. (copy included)

Clayton Collins, Jr., representative from Lambert's Ambulance Service, appeared before the Commission to provide information on a satellite ambulance station in Upshur County.

Cathy Collins, OES/E-911 Director, appeared before the Commission to present a list of road names for approval. On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission approved the following road name requests:

Ely Railroad Spur (Private Road) - Rock Cave Area
Vortac Road (Private Road) -Ellamore Area
Line Fence Lane (Private Road) - Ellamore Area
Laborers Drive (County 4/10) - Adrian Area - John Carr Road
McCue Lane (County 30/1) - Adrian Area - Bull Run Road
Bargerhuff Lane (County 14/1) -Sauls Run Road Area 0
Still Run Road (County 10/14) - Kesling Mill Area
Fieldstone Drive (Private Road) - Little Sand Run Area
Quick Drive (Private Road) - Tallmansville Road Area
Wind Haven Road (Private Road) - Lorentz Area
Hideaway Lane (Private Road) - Gale Area
Olivia Lane (Private Road) - Deer Creek Subdivision
Winding Lane Road (County 1/9) - Peck's Run Road
Light Chapel Road (County 20/7) - Lick Run Road
Brookside Drive (Private Road)
Mt. Spring Road (County 46/6) - Goshen
Turner Road (Delta 4) - Buckhannon Area
Foggy Bottom Road (County 1/ 4) - Old Turkey Run Road
Easterbrooke Road (Private Road) -Off Corridor H
Elliott Drive (Private Road) -Hall Road
McGraw Way (Private Road) – Ivy

After review, on motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission approved and passed the Upshur County 911 Addressing and Mapping Ordinance on its 2nd reading with typographical and numbering corrections. Andy Losh discussed the possible closing of the Ellamore Post office and the effect it would have on the addressing and mapping project. William A. Parker and Cathy Collins are to follow-up and report back to the Commission.

On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission approved the resignation from Betsy Arbogast, full-time telecommunicator and the resignation from Crystal Riggleman, part-time telecommunicator.

On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission approved the recommendation to re-appoint John Jenkins to the Tennerton PSD. (copy included)

On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission approved the recommendation to appoint Larry Stackpole to the Upshur County Fire Board Inc.

On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission set December 31, 2003 for any resident(s) to submit road name requests. After that date

Upshur County Commission Meeting
September 11, 2003

the Addressing Coordinator and/or County Commission will need to assign a name for those roads that are duplicate or unnamed.

On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission entered executive session per WV Code 6-9A-4 to discuss personnel at 9:45 a.m. In attendance were Kenneth T. Davidson, Donnie R. Tenney, Stephen P. Abel, William A. Parker and Sherman Baxa. No decisions were made in executive session and the Commission returned to open session at 10:50 a.m. On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission approved the recommendation to increase the following salary/wages: (copies included) (NOTE: The Commission will provide funding to the Sheriff's budget to increase wages per the request of Sherman Baxa, Sheriff.)

Terri Jo Bennett - $9.00 per hour – effective 9/7/03
Darla Riffle – $8.27 per hour – effective 9/7/03
Jennifer Powers - $7.16 – effective 9/7/03
Wendy Bess - $7.16 per hour – effective 9/7/03
Amy Atwell - $6.90 per hour – effective 9/7/03

The Commission recessed at 10:55 a.m.

The Commission returned to open session at 11:00 a.m.

Kenna Ulderich, Washington District Volunteer Fire Department, appeared before the Commission and request an executive session to discuss personnel and review E-911 tapes. On motion by Stephen P. Abel, seconded by Donnie R. Tenney, the Commission entered executive session per WV Code 6-9A-4 at 11:01 a.m. In attendance were Kenneth T. Davidson, Donnie R. Tenney, Stephen P. Abel, William A. Parker, Cathy Collins, and Kenna Ulderich. No decisions were made in executive session and the Commission returned to open session at 11:50 a.m. Kenneth T. Davidson provided an update on the requirements/procedures for the dispatch of fire departments and EMS.

The Commission recessed at 11:55 a.m. to attend a remembrance ceremony for the victims of September 11, 2001 on the courthouse plaza.

The Commission reconvened at 1:30 p.m.

The Commission approved the following Purchase Orders:

Micrologic Inc - #04000091
Quill Corporation - #04000092
Thompson's Pharmacy Inc - #04000093
Jenkins Ford Mercury Inc - #04000094
Sears - #04000095
AF Wendling - #04000096
Galls Incorporated - #04000097
Manson Enterprises - #04000098
Regional Organized Crime - #04000099

The Commission approved all payment of Invoices. (copy included)

The Commission approved the following Final Settlement Waiver:

Dorothy Nell Nye – FSW

The Commission approved the following Consolidation of Land Tract:

Washington District – ½ int COG 143 ½ Panther Fork

The Commission approved the following Exonerations:

Joseph Broslawsky - #1186
Ronald Picker or Jeannie O'Halloran - #1187

The Commission received the following Information: (copies included)

1. Correspondence from the County Commissioners' Association – Article from the Bluefield Daily Telegraph
2. ~~Dog Warden Report – August 2003 vs. August 2003~~
3. Agenda(s): Adrian PSD – 9/12/03
   Elkins Road PSD – 9/2/03
4. Minutes and/or Financial Report Information:
   Elkins Road PSD – 7/1/03
   Elkins Road PSD – 8/5/03
   Upshur County Youth Camp – 7/17/03
5. Meetings:
   - 09/02/03 - 7:00 p.m. - Hodgesville Public Service District
   - 09/02/03 - 6:00 p.m. - Elkins Road Public Service District
   - 09/05/03 - 1:00 p.m. - Adrian Public Service District
   - 09/08/03 - 6:00 p.m. - Upshur County Solid Waste Authority

- 09/08/03 - 6:30 p.m. - Buckhannon-Upshur Parks & Rec. Board
- 09/08/03 - 7:00 p.m. - Upshur County Family Resource Network
- 09/09/03 - 7:00 a.m. - Buckhannon-Upshur Airport Authority
- 09/09/03 - 5:30 p.m. - UC Enhanced Emergency Telephone Advisory Board
- 09/10/03 - 2:00 p.m. - Adrian PSD – Bid Opening – Commission Meeting Room
- 09/10/03 - 7:00 p.m. - Upshur County Litter Control Committee
- 09/11/03 - 3:00 p.m. - Tennerton Public Service District
- 09/11/03 - 6:30 p.m. - UC Safe Structures & Sites Ordinance Board
- 09/15/03 - 4:00 p.m. - Upshur County Youth Council - SYC
- 09/15/03 - 6:00 p.m. - Upshur County Fair Association – Rock Cave
- 09/16/03 - 10:00 a.m. - Wes-Mon-Ty RCD Board
- 09/17/03 - 10:00 a.m. - James W. Curry Park & Library Advisory Board
- 09/17/03 - 4:30 p.m. - Upshur County Public Library Board
- 09/17/03 - 7:00 p.m. - Lewis-Upshur LEPC
- 09/18/03 - 6:30 p.m. - Upshur County Youth Camp Board
- 09/18/03 - 6:30 p.m. - Upshur County Fire Board
- 09/22/03 - 7:00 p.m. - Region VII Planning & Development Council
- 09/23/03 thru 09/26/03 - Election Meeting / Conference

6. Appointments Needed:
   - Adrian Public Service District --- (James Darrell Loudin 10/31/03) --- County
   - Buckhannon-Upshur Board of Health --- (Betty Bailey 06/30/03) - County (2nd / 3rd Dist)
   - Buckhannon-Upshur Parks & Recreation Board --- (Donnie Swisher 06/30/03)- Bd of Ed
   - Buckhannon-Upshur Parks & Recreation Board --- (Mickey Tenney 06/30/03)-- Bd of Ed
   - Region VII Planning & Development Council (Vacant Position thru 12/31/03) --- County
   - Tennerton Public Service District --- (John Jenkins 07/31/03) --- County
   - Upshur County Building Commission --- (Ron Hutton 11/10/03) --- County Upshur County Development Authority --- (1 position 06/30/03) --- County
   - UC Fire Board - (Mike Higham – 1st Term - 2nd Dist. Fire Assoc. 06/30/03) – County/ FA
   - UC Fire Board - (Ed Beer – 2nd Term - 2nd Dist. Comm. Rep. 06/30/03) --- County
   - Upshur County Public Library Board -- (Martha Feola 06/30/03) -- County / Bd. of Educ.
   - UC Safe Structures & Sites Ord. Board --- (Vacancy Jan. 2003 – 06/30/04) Chief - VFD
   - Wes-Mon-Ty Resource Conservation District --- County Appointment

With no further business, the meeting adjourned 1:55 p.m.

STATE OF WEST VIRGINIA,
Upshur County, ss:

I, Debbie Thacker Wilfong, Clerk of the County Commission of Upshur County, West Virginia,
Do hereby certify that the foregoing writing is a true copy from the records in my office, the same appearing
in LAW ORDER Book No. 33 at Page No. 61.
Given under my hand and the seal of said Commission this 12TH day of March, 2008.

By: Carolyn E Berry, Deputy

DEBBIE THACKER WILFONG
Clerk, County Commission

Upshur County Commission Meeting
August 11, 2005

The County Commission of Upshur County, West Virginia, held their regular meeting at the Courthouse Annex on Thursday, August 11, 2005, at 9:00 a.m. Donnie R. Tenney called the meeting to order. There were present Donnie R. Tenney, Commissioner; Stephen P. Abel, Commissioner; Eugene C. Suder, Commissioner and William A. Parker, County Administrator. The meeting began with a moment of silent meditation and prayer, followed by the Pledge of Allegiance. All motions passed unanimously unless otherwise stated.

Bill Hamilton, House of Delegate representative, appeared before the Commission to provide an update/status report regarding budget digest funds. (copy included)

Chris Harrington, representative from CSSI, appeared before the Commission to present a review of computer software programs and hardware offered by his company for county government.

William A. Parker advised the Commission that the "Request for Proposals" for the E-911 computer aid dispatch (CAD) system was not available for review.

After review by Donnie R. Tenney, on motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved and authorized the President to sign the documentation to participate in the Energy Star program offered through the National Association of Counties (NACo). (copies included)

After discussion, on motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved and authorized the President to sign the monthly progress reports to the Courthouse Facilities Improvement Authority. (copy included)

Gary Wine, Software Systems Inc., appeared before the Commission as a follow-up to his presentation during last week's Commission meeting and to provide additional information on computer software programs and hardware offered by his company for county government.

On motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved the resignation of Daya Wright, Assistant Prosecuting Attorney effective August 26, 2005. (copy included)

After review by Donnie R. Tenney, on motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved the recommendation to reappoint Rex Reeder to the Tennerton PSD with a term expiring June 30, 2011. (copy included) After discussion, the Commission requested William A. Parker to schedule a meeting with Tennerton PSD to provide an update/status report on current and/or future projects.

After review by Donnie R. Tenney, on motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved and authorized the President to sign the Compliance Order regarding Upshur County Safe Structures and Sites Ordinance case number 090904-02. (copy included)

After review by William A. Parker, on motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved and authorized the Commission to sign the amended order concerning the Estate of Ferenc Frank Androczi, deceased. (copies included)

The Commission approved the following final settlements:

- Helen Ruth Hefner Cutright – Final Settlement Waiver
- Sara Evans Campbell – Final Settlement Waiver
- Escar Clay Roby – Final Settlement Waiver
- William H. Dess, Jr. – Final Settlement
- Amanda Rose Streets, Infant – Final Settlement
- James Robert Streets, Infant – Final Settlement

The Commission approved the following exonerations/refunds: (copies included)

- Ralph Joseph Parsons - #1533 – corrective ticket
- Ronald Lee Bennett - #1534 - $120.59
- Matthew F or Theresa L. Cornett - #1526 – corrective ticket
- Alvin E. or Dianna hall - #1525 - $7.38
- Mary Jo Brady - #1524 - $17.22
- Betty Rowland - #1523 - $44.06
- Ronald G. or Janet L. Wilson - #1522 – corrective ticket
- Ralph E & Rose M. Talbott - #1521 - $179.44
- Christopher W. Boggs - #1520 - $26.20
- Sears Roebuck & Co #3113 - #1532 - $311.54
- Scotty Lee & Tammy D. Baxa - #1531 - $24.76

- Robert F. & Betty S. Heavener - #1530 – corrective ticket
- Robert F 7 Betty Heavner - #1529 - $179.44
- Rebecca J. McCartney - #1528 - $37.52
- Charles & Lula Allen - $1527 - $191.21

The Commission approved the following purchase orders:

- Quill Corporation - #06000116 - $30.00
- Software Systems Inc - #06000117 - $400.00
- Grainger Inc - #06000118 - $150.00
- Home hardware - #06000119 - $100.00
- APCO Inc - #06000120 - $60.00
- State Electric Supply Co - #06000121 - $500.00
- Walmart - #06000122 - $100.00
- Walmart - #06000123 - $300.00
- Walmart - #06000124 - $4,500.00
- TMC Technologies Inc - #06000125 - $125.35
- Staples Credit Plan - #06000126 - $500.00
- Stephen P. Abel - #06000127 - $150.00
- Hogans Roofing - #06000128 - $750.00
- J. Michael Coffman - #06000130 - $500.00

The Commission received an update/status report from JP Tenney, Upshur County Recreational Park Director, regarding the closing date for the 2005 pool season. (copy included)

After review, on motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved work order change/cost proposal #3 for temporary stairs from Huffman Corporation for the beam replacement/ADA project. (copy included) After review, on motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved work order change/cost proposal #4 for new receptacles in walkway and planter areas from Huffman Corporation for the beam replacement/ADA project. (copy included) After review, on motion by Eugene C. Suder, seconded by Stephen P. Abel, the Commission approved work order change/cost proposal #5 for new flip-up seat on handicap platform lift from Huffman Corporation for the beam replacement/ADA project. (copy included)

The Commission approved/denied the following "Request to Attend Meeting": (copies included)

- Nina Louise Bleigh – Newark, Ohio – denied
- Catherine F. Collins – Newark, Ohio – denied

The Commission received the following information: (copies included)

1. Correspondence from the Buckhannon River Watershed Association concerning pre-construction conference for Mudlick Coal Refuse project.
2. Correspondence concerning Homeland Security Grants.
3. Upshur County Regional Airport Projects Spending Report
4. Outstanding Maintenance Requests
5. Building Permit Report – July 2005
6. Spay & Neuter Report – July 2005
7. Listing of Rescue Groups currently exempt from Spay & Neuter charges
8. Feline Activity Report – July 2005
9. Dog Warden Report – July 2005
10. Agendas and/or meeting notices:
    - Region VI Workforce Executive Board – August 11, 2005
    - UC Enhanced Emergency Advisory Board - August 9, 2005
11. Meeting minutes and/or financial report information:
    - UC Enhanced Emergency Advisory Board – July 12, 2005
    - Region VI Workforce Investment Board – July 14, 2005
12. Meetings:
    - 08/01/05- 7:00 p.m.-Hodgesville Public Service District
    - 08/02/05-6:00 p.m.-Elkins Road Public Service District
    - 08/06/05 thru 08/09/05-County Commissioners' Association Conference
    - 08/08/05-12:00 p.m.-Upshur County Family Resource Network
    - 08/08/05-6:00 p.m.-Upshur County Solid Waste Authority
    - 08/15/05-6:30 p.m.-Buckhannon-Upshur Parks & Recreation Advisory

Upshur County Commission Meeting
August 11, 2005

Board

- 08/09/05-7:00 a.m.-Buckhannon-Upshur Airport Authority
- 08/09/05-5:30 p.m.-UC Enhanced Emergency Telephone Advisory Board
- 08/10/05-7:00 a.m.-Upshur County Development Authority
- 08/10/05-7:00 p.m.-Upshur County Litter Control Board
- 08/10/05-3:00 p.m.-Tennerton Public Service District
- 08/11/05-6:30 p.m.-UC Safe Structures & Sites Ordinance Board
- 08/12/05-1:00 p.m.-Adrian Public Service District
- 08/15/05-10:30 a.m.-Pre-Bid Meeting – UC Park Tank Installation
- 08/15/05-7:00 p.m.-Upshur County Fair Association
- 08/16/05-10:00 a.m.-Wes-Mon-Ty RCD
- 08/17/05-10:00 a.m.-James W. Curry Advisory Board
- 08/17/05-4:00 p.m.-Upshur County Public Library Board
- 08/17/05-7:00 p.m.-Lewis-Upshur LEPC
- 08/18/05-6:30 p.m.-Upshur County Fire Board
- 08/18/05-6:30 p.m.-Upshur County Youth Camp Board
- 08/22/05-7:00 p.m.-Region VII Planning & Development Council-cancelled August 2005 meeting

13. Appointments Needed or Upcoming:
    - Buckhannon-Upshur Airport Authority --- (R. Baker 06-30-05) --- County Commission
    - Buckhannon-Upshur Airport Authority --- (City Manager 06-30-05) --- City of Weston
    - Adrian Public Service District --- (Sharon Bowen 10-31-05) --- County Commission
    - Tennerton Public Service District (Rex Reeder 7-31-05) Commission
    - Upshur County Building Commission (Vacant 11-10-08) Commission
    - Upshur County Civil Service Board (Bruce Bennett 12-31-05) Commission
    - UC Fire Board – (F. Becker – Community – 3rd Dist – 06-30-05) Commission

The Commission recessed at 11:30 a.m.

The Commission reconvened at 1:30 p.m. to attend the Upshur County Policy Board meeting.

With no further business, the meeting adjourned at 2:45 p.m.

STATE OF WEST VIRGINIA,
Upshur County, ss:

I, Debbie Thacker Wilfong, Clerk of the County Commission of Upshur County, West Virginia, Do hereby certify that the foregoing writing is a true copy from the records in my office, the same appearing in LAW ORDER Book No. 43 at Page No. 195.

Given under my hand and the seal of said Commission this 12TH day of March, 2008.

By: Carolyn E Berry, Deputy

DEBBIE THACKER WILFONG
Clerk, County Commission

Upshur County Commission Meeting
August 9, 2007

The County Commission of Upshur County, West Virginia, held their regular meeting at the Courthouse Annex on Thursday, August 9, 2007, at 9:00 a.m. Donnie R. Tenney called the meeting to order. There were present Donnie R. Tenney, Commissioner; Eugene C. Suder, Commissioner; Creed G. Pletcher, Commissioner; William A. Parker, Administrator and Terri Jo Bennett, Administrative Assistant. The meeting began with a moment of silent meditation and prayer, followed by the Pledge of Allegiance. All motions passed unanimously unless otherwise stated.

After reading of the minutes, on motion by Eugene C. Suder, seconded by Creed G. Pletcher, the Commission approved the regular meeting minutes of August 2, 2007 as submitted.

At 9:10 a.m., on motion by Eugene C. Suder, seconded by Creed G. Pletcher, the Commission entered executive session per WV Code 6-9a-4 to discuss personnel. In attendance were Donnie R. Tenney, Eugene C. Suder, Creed G. Pletcher, William A. Parker and Louise Bleigh. No decisions were made in executive session and the Commission returned to open session at 10:00 a.m.

At 10:00 a.m. the Commission conducted a public hearing for the Small Cities Block Grant Application process. (copy included) The public meeting adjourned at 10:10 a.m.

After review by William A. Parker, on motion by Creed G. Pletcher, seconded by Eugene C. Suder, the Commission approved the request from the Upshur County Board of Education to utilize the pool facility until September 22, 2007 for physical education classes pending receipt of insurance coverage and documentation regarding the number of life guards required. (copy included) William A. Parker was requested to follow-up.

After discussion, on motion by Eugene C. Suder, seconded by Creed G. Pletcher, the Commission approved the request from the Upshur County Board of Education for a reduction in rate to $100.00 for a pool party for freshman activities on August 29, 2007. (copy included)

On motion by Creed G. Pletcher, seconded by Eugene C. Suder, the Commission approved the reappointment of John McGrew to the Tennerton Public Service District. (copy included)

After review by William A. Parker, on motion by Eugene C. Suder, seconded by Creed G. Pletcher, the Commission approved the request for bid for construction of location for an animal holding area at the Lewis-Upshur Animal Control facility. (copy included)

After review by William A. Parker, on motion by Eugene C. Suder, seconded by Creed G. Pletcher, the Commission approved the request for bids for an emergency back-up generator/power supply for the E-911 ComCenter/Office of Emergency Management. (copy included)

Members of the James W. Curry Advisory Board appeared before the Commission to discuss the date for the 2008 Brooks Hill Community Fair. (NOTE: item not on the agenda, report only)

On motion by Creed G. Pletcher, seconded by Eugene C. Suder, the Commission approved the recommendation to appoint Tappan Squires to the Upshur County Recreational Park Advisory Board.

The Commission recessed at 10:50 a.m.

The Commission reconvened at 11:10 a.m. to attend the Upshur County Policy Board meeting. The Policy Board adjourned at 11:50 a.m.

The Commission approved the following final settlements:

- Joey Allen Bennett – Final Settlement Waiver
- Eldridge Comuzie – Final Settlement Waiver
- Mary Frances Fidler – Final Settlement Waiver
- Willis Norvell Hamner – Final Settlement Waiver
- Lee E. Heck – Final Settlement Waiver
- Helen R. Post – Final Settlement Waiver
- Edith Mary Phillips – Final Settlement Waiver
- Gary Steven Scott – Final Settlement Wavier
- Loretta Sue Farnsworth – Final Settlement

The Commission approved all invoices for payment. (copy included)

The Commission approved the following purchase orders:

- Micrologic Inc - #08000208 - $25.00
- Selig Chemical Industries - #08000209 - $183.52

- Quill Corporation - #08000210 - $300.00
- Southern States Coop Inc - #08000211 - $120.00
- Appalachian Tire Products - #08000212 - $480.96
- BI Inc - #08000213 - $450.00
- Blackheart International - #08000214 - $2,050.00
- Thermodyne - #08000215 - $750.00

The Commission approved the following consolidation of land tracts: (copy included)

- Meade District – Robert and Ruth Baughman – sur 1.579 ac Waterloo Road
- Meade District – Pamela Cogar and Hubert Gregory - .25 ac FS sur .04 and lot 67x21 Adrian

The Commission approved the following "time out of the office" for Commission employees: (copies included)

- Terri Jo Bennett – November 19-21, 2007 – approved
- Terri Jo Bennett – December 24-31, 2007 – approved

The Commission approved the following exonerations and/or refunds: (copies included)

- Eugene Carpenter - #2042 - $223.03
- Pamela Cogar - #2041 - $13.44
- Pamela Cogar - #2040 - $86.44
- Richard Reed - #2039 - $55.59
- Diana Tenney - #2038 - $81.70
- Ray or Pearl Chidester - #2037 - $2.07
- Ray or Pearl Chidester - #2036 - $13.29
- Laurel Mining Co Inc - #2035 - $277.10
- Bucher Exploration - #2034 - $19.84
- Bucher Exploration - #2033 - $302.36
- Great Oak Properties LLC - #2032 - $376.62
- Interstate Production Co - #2031 - $183.80
- Mountain V Oil & Gas Inc - #2030 - $19.70
- Jack Wilt - #2029 - $5.14
- John Hoover - #2028 - $39.81
- Jack & Carolyn Davidson - #2027 – corrective ticket
- Daniel & Marianna Lowman - #2026 – corrective ticket

The Commission received the following information: (copies included)

1. Correspondence from the West Virginia Courthouse Facilities Improvement Authority Concerning Applications for the Next Grant Funding Time Period
2. Upshur County Communications Center Reports:
   - E911 End of Month Report --- July 2007
   - Departmental Level Report --- July 2007
   - Wrecker Activity Report --- July 2007
3. Correspondence from the Upshur County Livestock Association Concerning Upcoming Show, Reception & Sale
4. Agendas and/or Notice of Meetings:
   - Elkins Road Public Service District — August 07, 2007
   - Region VI Workforce Investment Board — August 09, 2007
   - Upshur County Development Authority — August 15, 2007
5. Meeting Minutes and/or Financial Reports:
   - Region VI Workforce Investment Board — July 12, 2007
6. Meetings:
   - 08/03/07-4:00 p.m.-Tygarts Valley Conversation District Annual Dinner
   - 08/05/07 thru 08/07/07-County Commissioners' Assoc. – Annual Conference
   - 08/07/07-6:00 p.m.-Elkins Road Public Service District
   - 08/07/07-7:00 p.m.-Hodgesville Public Service District
   - 08/08/07-3:00 p.m.-Tennerton Public Service District
   - 08/08/07-7:00 p.m.-Upshur County Litter Control Board
   - 08/09/07-6:30 p.m.-UC Safe Structures & Sites Ordinance Board

Upshur County Commission Meeting
August 9, 2007

- 08/10/07-1:00 p.m.-Adrian Public Service District
- 08/13/07-12:00 p.m.-Upshur County Family Resource Network
- 08/13/07-6:00 p.m.-Upshur County Solid Waste Authority
- 08/13/07-6:00 p.m.-Buckhannon-Upshur Parks & Recreational Ad. Bd.
- 08/14/07-7:00 a.m.-Buckhannon-Upshur Airport Authority
- 08/15/07-10:00 a.m.-James W. Curry Advisory Board
- 08/15/07-12:00 p.m.-Upshur County Development Authority – Annual Mtg.
- 08/15/07-4:00 p.m.-Upshur County Public Library Board
- Next Meeting 09/19//07-26th Circuit Community Corrections Board
- 08/15/07-6:00 p.m.-Buckhannon River Watershed Association
- 08/15/07-7:00 p.m.-Lewis-Upshur LEPC
- 08/16/07-6:30 p.m.-Upshur County Youth Camp Board
- 08/20/07-7:00 p.m.-Upshur County Fair Association
- 08/21/07-10:00 a.m.-Wes-Mon-Ty RCD
- 08/21/07-5:00 p.m.-UC Enhanced Emergency Telephone Advisory Board
- 08/23/07-6:30 p.m.-Upshur County Fire Board
- Next Meeting - Sept 2007-Region VII Planning & Development

7. Appointments Needed or Upcoming:
   - Adrian Public Service District (Donald Killingsworth 10/31/07) County
   - Buckhannon-Upshur Board of Health (Vacant Position 06/30/11) County
   - Buckhannon-Upshur Parks & Recreation Ad Bd (1 Positions 06-07 & 06-08) City
   - James W. Curry Advisory Board (Warren Smith & Art Wilson 12/31/07) County
   - Upshur County Building Commission (Richard Ralston 11/10/07) County
   - Upshur County Building Commission (Vacant Position 11/10/08) County
   - Upshur County Development Authority (1 position 06/30/07) County
   - Upshur County Fire Board (Frank Hodges 06/30/07) County
   - Upshur County Fire Board (Joe Carrico 06/30/07) UC Fire Association
   - Upshur County Youth Camp Board (Glen Hawkins 05/31/07) Nominating Committee
   - Tennerton Public Service District (John McGrew 07/31/07) County

With no further business, the meeting adjourned at 11:55 a.m.

STATE OF WEST VIRGINIA,
Upshur County, ss:

I, Debbie Thacker Wilfong, Clerk of the County Commission of Upshur County, West Virginia, Do hereby certify that the foregoing writing is a true copy from the records in my office, the same appearing in LAW ORDER Book No. 54 at Page No. 387.

Given under my hand and the seal of said Commission this 12TH day of March, 2008.

By: Carolyn E Berry, Deputy

DEBBIE THACKER WILFONG
Clerk, County Commission

TENNERTON PUBLIC SERVICE DISTRICT
188 FAYETTE STREET
BUCKHANNON, WEST VIRGINIA 26201

MARCH 20, 2008

TENNERTON PUBLIC SERVICE DISTRICT

CURRENT BOARD MEMBERS AND TERMS OF OFFICE

JOHN McGREW, JR.
JULY 31, 2007 - JULY 31, 2013

JOHN JENKINS
JULY 31, 2003 - JULY 31, 2009

REX REEDER
JULY 31, 2005 - JULY 31, 2011

TERRY N. GOULD, MANAGER
TENNERTON PUBLIC SERVICE DISTRICT

OATH OF OFFICE AND CERTIFICATE

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

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of MEMBER OF THE TENNERTON PUBLIC SERVICE DISTRICT to the best of my skill and judgment SO HELP ME GOD:

(Signature of affiant) X Don Drake

Subscribed and sworn to before me, in said County and State, this 13TH day of AUGUST, 19 97

Debbie Thacker Wilfong

UPSHUR COUNTY, TO-WIT:

Be it remembered that on the 13TH day of AUGUST, 19 97, this OATH OF OFFICE was presented in the Clerk's Office of the County Court of said County and recorded according to law.

Teste: Debbie Thacker Wilfong
Clerk County Court, Upshur County, West Virginia.

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

I do solemnly swear that I will support the Consitution 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 SECRETARY & COUNCIL OF THE TENNERTON PUBLIC SERVICE DISTRICT to the best of my skill and judgment SO HELP ME GOD:

(Signature of affiant) William C. Thurman

Subscribed and sworn to before me, in said County and State, this 13TH day of AUGUST, 19 97

Debbie Thacker Wilfong

UPSHUR COUNTY, TO-WIT:

Be it remerobered that on the 13TH day of AUGUST, 19 97, this OATH OF OFFICE was presented in the Clerk's Office of the County Court of said County and recorded according to law.

Teste: Debbie Thacker Wilfong
Clerk County Court, Upshur County, West Virginia.

OATH OF OFFICE AND CERTIFICATE

Johnson-Watson & Dayton Blank Book

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

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of MEMBER OF THE TENNERTON PUBLIC SERVICE DISTRICT to the best of my skill and judgment SO HELP ME GOD:

(Signature of affiant) John V. McGrew Jr
JOHN V. MCGREW JR

Subscribed and sworn to before me, in said County and State, this 9TH day of JULY, 19 97

Debbie Thacker Wilfong

UPSHUR COUNTY, TO-WIT:

Be it remembered that on the 9TH day of JULY, 19 97, this OATH OF OFFICE was presented in the Clerk's Office of the County Court of said County and recorded according to law.

Teste: Debbie Thacker Wilfong
Clerk County Court, Upshur County, West Virginia.

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

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of CHIEF DEPUTY SHERIFF OF UPSHUR COUNTY to the best of my skill and judgment SO HELP ME GOD:

(Signature of affiant) Greg Andrews

Subscribed and sworn to before me, in said County and State, this 11TH day of AUGUST, 19 97

Debbie Thacker Wilfong

UPSHUR COUNTY, TO-WIT:

Be it remembered that on the 11TH day of AUGUST, 19 97, this OATH OF OFFICE was presented in the Clerk's Office of the County Court of said County and recorded according to law.

Teste: Debbie Thacker Wilfong
Clerk County Court, Upshur County, West Virginia.

OATH OF OFFICE AND CERTIFICATE

Johnson-Watson • Dayton Blank Book—E-3849

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

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of MEMBER OF THE TENNERTON PUBLIC SERVICE DISTRICT to the best of my skill and judgment SO HELP ME GOD:

(Signature of affiant) [illegible]

Subscribed and sworn to before me, in said County and State, this 13TH day of AUGUST, 19 97

Debbie Thacker Wilfong

UPSHUR COUNTY, TO-WIT:

Be it remembered that on the 13TH day of AUGUST, 19 97, this OATH OF OFFICE was presented in the Clerk's Office of the County Court of said County and recorded according to law.

Teste: Debbie Thacker Wilfong
Clerk County Court, Upshur County, West Virginia.

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

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of SECRETARY & COUNCIL OF THE TENNERTON PUBLIC SERVICE DISTRICT to the best of my skill and judgment SO HELP ME GOD:

(Signature of affiant) William C. Thurman

Subscribed and sworn to before me, in said County and State, this 13TH day of AUGUST, 19 97

Debbie Thacker Wilfong

UPSHUR COUNTY, TO-WIT:

Be it remembered that on the 13TH day of AUGUST, 19 97, this OATH OF OFFICE was presented in the Clerk's Office of the County Court of said County and recorded according to law.

Teste: Debbie Thacker Wilfong
Clerk County Court, Upshur County, West Virginia.

OATH OF OFFICE AND CERTIFICATE

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

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of BOOKKEEPER/DEPUTY COUNTY CLERK to the best of my skill and judgment SO HELP ME GOD:

(Signature of affiant) Debra A Hull

Subscribed and sworn to before me, in said County and State, this 27TH day of MAY, 19 98

Debbie Thacker Wilfong

UPSHUR COUNTY, TO-WIT:

Be it remembered that on the 27TH day of MAY, 19 98, this OATH OF OFFICE was presented in the Clerk's Office of the County Court of said County and recorded according to law.

Teste: Debbie Thacker Wilfong
Clerk County Court, Upshur County, West Virginia.

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

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of MEMBER OF THE TENNERTON PUBLIC SERVICE DISTRICT to the best of my skill and judgment SO HELP ME GOD:

(Signature of affiant) Rex N Reeder
REX N REEDER

Subscribed and sworn to before me, in said County and State, this 4TH day of JUNE, 1998

Lisa J Reeder
DEPUTY CLERK

UPSHUR COUNTY, TO-WIT:

Be it remembered that on the 4TH day of JUNE, 19 98, this OATH OF OFFICE was presented in the Clerk's Office of the County Court of said County and recorded according to law.

Teste: Debbie Thacker Wilfong
Clerk County Court, Upshur County, West Virginia.

TENNERTON PUBLIC SERVICE DISTRICT

RESOLUTION NO. 86-1

A RESOLUTION ESTABLISHING RULES AND REGULATIONS FOR THE PUBLIC SERVICE BOARD OF THE TENNERTON PUBLIC SERVICE DISTRICT, INCLUDING RULES OF PROCEDURE AND RULES BY WHICH THE TIME AND PLACE OF ALL REGULARLY SCHEDULED MEETINGS AND THE TIME, PLACE AND PURPOSE OF ALL SPECIAL MEETINGS ARE TO BE MADE AVAILABLE IN ADVANCE TO THE PUBLIC AND NEWS MEDIA, AND PROVIDING WHEN THIS RESOLUTION AND SUCH RULES AND REGULATIONS SHALL TAKE EFFECT.

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

SECTION ONE. Statutory Mandate for These Rules and Regulations. The rules and regulations established in and by this Resolution are mandated by and promulgated pursuant to Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended (the "Public Service District Act"), and Chapter 6, Article 9A, of the Code of West Virginia, 1931, as amended (the "Public Meeting Act"), and other applicable provisions of law.

SECTION TWO. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) Section 4 of the Public Service District Act requires each public service board, by resolution to determine its own rules of procedure, fix the time and place of its meetings and the manner in which special meetings may be called. Public notice of meetings shall be given, and emergency meetings may be called, in accordance with Section 3 of the Public Meeting Act.

(B) Section 3 of the Public Meeting Act requires each governing body, as defined in the Public Meeting Act, to promulgate rules by which the time and place of all regularly scheduled meetings and the time, place and purpose of all special meetings are to be made available in advance to the public and news media.

(C) The Public Service Board of the Tennerton Public Service District, in Upshur County, West Virginia (the "Public Service Board"), is a public service board described by the Public Service District Act and a governing body within the meaning of the Public Meeting Act.

(D) Accordingly, it is hereby ordered that the rules and regulations set out in Section Three hereof be promulgated

and established as rules and regulations of the Public Service Board.

SECTION THREE. Rules and Regulations. The following are hereby promulgated and established as rules and regulations of the Public Service Board:

RULES AND REGULATIONS
PUBLIC SERVICE BOARD
TENNERTON PUBLIC SERVICE DISTRICT

ARTICLE ONE

AUTHORITY

Section 1.01: These Rules and Regulations are promulgated pursuant to Article 13A of Chapter 16 (the "Public Service District Act") and Article 9A of Chapter 6 (the "Public Meeting Act") of the Code of West Virginia, 1931, as amended, to govern the conduct of the affairs of the Public Service Board (the "Public Service Board") of the Tennerton PUblic Service District, a public corporation and political subdivision of the State of West Virginia (the "District"), created by an order of The County Commission of Upshur County (the "County Commission") entered on July 12, 1971. These Rules and Regulations are intended to supplement the provisions of the Public Service District Act and the Public Meeting Act, and the Public Service Board shall have all the powers and be subject to all the limitations set forth therein. Any provision of these Rules and Regulations which is contrary to or inconsistent with the Public Service District Act or the Public Meeting Act shall be superseded thereby.

ARTICLE TWO

PUBLIC SERVICE BOARD

Section 2.01: The powers of the District shall be vested in and executed by the Public Service Board, which shall consist of three (3) members, each of whom shall reside within the geographical area covered by the District and shall have successfully completed the training program required by the Public Service District Act. Each member of the Public Service Board shall be appointed by the County Commission, and the term of office shall be six (6) years. Pursuant to Section 3 of the Public Service District Act, a vacancy for any unexpired term shall be filled by appointment by the County Commission within

thirty (30) days. Accordingly, any request for resignation from the Public Service Board shall be tendered to the County Commission, with a copy to the Public Service Board. The Secretary shall otherwise notify the County Commission of such immediately upon the creation of any vacancy in the Public Service Board.

Section 2.02: The County Commission may remove any member of the Public Service Board for consistent violation of these Rules and Regulations or of the Public Service District Act, for reasonable cause, which includes, but is not limited to, a continued failure to attend meetings of the Public Service Board, failure to pursue diligently the objectives for which the District was created or failure to perform any other duty prescribed by law or for any misconduct in office or upon written petition signed by twenty-five percent (25%) of the registered voters who reside within the geographical limits of the District, but only in the manner prescribed by Section 3a of the Public Service District Act.

Section 2.03: The salary of each of the members of the Public Service Board shall be Fifty Dollars ($50.00) per attendance at regular monthly meetings and Thirty Dollars ($30.00) per attendance at additional special meetings, the total salary not to exceed Seven Hundred Fifty Dollars ($750.00) per annum. Solely for the purpose of this Section 2.03, the regular monthly meeting of the Public Service Board shall be considered that meeting held on the first Wednesday of each month. Each member of the Public Service Board may be reimbursed for the reasonable and necessary expenses actually incurred in the performance of his duties, upon his request and upon the written resolution of the majority of the members of the Public Service Board present.

ARTICLE THREE

OFFICERS

Section 3.01: At its first meeting after January 1 of each year, the Public Service Board shall organize by selecting one of its members to serve as Chairman and by appointing a Secretary and a Treasurer. The Secretary and Treasurer so appointed need not be members of the Public Service Board and may be the same person.

Section 3.02: The Chairman shall preside at all meetings of the Public Service Board and shall preserve decorum and shall decide questions of order, subject to appeal to the Public Service Board as a whole. The Chairman may move, second, debate and vote as any other member of the Public Service Board and shall not be deprived of any of the rights and privileges of PUblic Service Board membership by reason of acting as Chairman. If the Chairman should be absent from any meeting, the remaining members may

select a temporary chairman to preside at that meeting. If the Chairman resigns as Chairman or for any reason ceases to be a member of the Public Service Board, the Public Service Board shall select one of its members as Chairman to serve until the next annual organizational meeting. If the Chairman is unable to perform specific other duties necessary and incidental to the operation of the District, including but not limited to executing duly authorized notes and bonds of the District, then the Public Service Board shall designate an acting chairman and authorize such acting chairman to perform such duties.

Section 3.03: The Secretary attends all meetings of the Public Service Board and shall keep a written record of all proceedings of the Public Service Board, which shall be available for inspection as all other public records. The Secretary shall authenticate all such records by his signature. All minutes of Public Service Board meetings shall be distributed to the Public Service Board members and available to the public within a reasonable time after the meeting and shall include the following information: (A) date, time and place of the meeting; (B) names of each member of the Public Service Board present and absent; (C) all motions, proposal, resolutions, orders and measures proposed, the respective names of the persons proposing the same and their respective dispositions; and (D) the results of all votes, and, if requested, the vote of each member by name. Minutes of executive sessions may be limited to the topic of the matter discussed. Duplicate records shall be filed with the County Commission and shall include the minutes of all Public Service Board meetings. The Secretary shall perform such other duties appertaining to the affairs of the District and, if not a member of the Public Service Board, shall receive such salaries as shall be prescribed by the Public Service Board from time to time.

Section 3.04: The Treasurer shall be the lawful custodian of all of the District funds and shall pay the same out on written orders authorized or approved by the Public Service Board and otherwise in accordance with Section 12 of the Public Service District Act. The Treasurer shall perform such other duties appertaining to the affairs of the District and, if not a member of the Public Service Board, shall receive such salaries as shall be prescribed by the Public Service Board from time to time. The treasurer shall furnish bond in an amount to be fixed by the Public Service Board for the use and benefit of the District.

Section 3.05: The Pubic Service Board, and the Chairman, Secretary and Treasurer thereof, shall make available to the County Commission at all times all of its books and records pertaining to the District's operations, finances and affairs, for inspection and audit.

ARTICLE FOUR

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 4.01: The Public Service Board shall hold regular meetings at 7:00 p.m., prevailing time, on the first and third Wednesdays of each month at the Law Office of William C. Thurman at 41 West Main Street, Buckhannon, West Virginia. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Regular meetings may be otherwise re-scheduled by a quorum of the Public Service Board and with the notice prescribed by Section 5.01 hereof. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Public Service Board and with the notice prescribed by Section 5.02 hereof.

Section 4.02: At any meeting of the Public Service Board, two members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any meeting, and, if a quorum is not present, those present may adjourn the meeting to a later date. No member may vote by proxy.

Section 4.03: All proceedings of the Public Service Board shall be governed by these Rules and Regulations and, to the extent not inconsistent herewith, by Robert's Rules of Order-Revised.

Section 4.04: At least two days prior to each regular meeting the Secretary shall prepare an agenda of topics to be considered at the meeting; provided, that, by a majority vote of the Public Service Board members present, items not included on the agenda may be considered. The agenda shall be distributed to each member of the Public Service Board prior to the meeting and shall be available to the public.

Section 4.05: All written resolutions presented to the Public Service Board must be numbered consecutively within the year presented, with the resolution promulgating these Rules and Regulations to be designated Resolution No. 86-1.

Section 4.06: The Public Service Board shall in all regards comply with the provisions of the Public Meeting Act with regard to notice of the time and place of all meetings of the Public Service Board, as set out in Article Five below, and of these Rules and Regulations.

Section 4.07: All meetings of the Public Service Board shall be open to the public; provided, that the Public Service Board may meet in executive session pursuant to Section 4 of the Public Meeting Act.

ARTICLE FIVE

NOTICE OF PUBLIC MEETINGS

Section 5.01: Immediately after promulgation of these Rules and Regulations and in July of each year thereafter, the Public Service Board shall instruct the Secretary to, and the Secretary shall, post, and leave posted throughout the year to which it applies, at the place in the Upshur County Courthouse where notices customarily are posted and at the District's office a notice setting forth the times and places of the Public Service Board's regularly scheduled meetings for the ensuing year. Such notice shall be of size and style sufficient to give notice and shall be of quality sufficient to withstand deterioration throughout the year to which it applies. Additional copies of the notice shall be delivered to the Secretary.

Also immediately after promulgation of these Rules and Regulations and in July of each year thereafter, the Public Service Board shall instruct the Secretary to, and the Secretary shall, distribute to each of the newspapers, television stations, radio stations and other news media listed within the Board's jurisdiction a copy of the above referenced notice. A notice shall be considered distributed to a news medium when it has been addressed to such news medium at its normal address, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail. In June of each year after the promulgation of these Rules and Regulations, the Public Service Board shall review those receiving notice and shall amend such list as needed, in the opinion of the Public Service Board, to reflect properly all the newspapers, television stations, radio stations and other news media that customarily cover news of the District.

In the event of any modification in the time or place of a regularly scheduled meeting of the Public Service Board, notice of such modification shall be given to the public and news media in the manner set forth above, not less than three (3) days prior to the date of such regularly scheduled meeting, or, if such regularly scheduled meeting has been rescheduled for an earlier time, prior to the date of such rescheduled meeting. In addition, a copy of such notice shall be mailed to each member and to the Secretary and Treasurer of the Public Service Board. A copy of such notice shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Notwithstanding the foregoing provisions, notice of the recess or adjournment of a regularly scheduled meeting and of the time and place for the continuation or reconvening thereof publicly given during such regularly scheduled meeting shall be

adequate notice to the public and news media of the time and place thereof.

Provided, failure of the Secretary to comply exactly with the posting and distribution requirements hereof shall not invalidate the actions taken at the meeting for which such notice was posted and distributed if the Public Service Board shall determine that such posting and distribution were in substantial compliance herewith.

Section 5.02: Not less than three (3) but not more than six (6) days prior to the date set for any special meeting of the Public Service Board, the Public Service Board shall instruct the Secretary to, and the Secretary shall, post at such place in the Upshur County Courthouse where notices customarily are posted and on the door of the District's office a notice setting forth the time, place and purpose or purposes of such special meeting. Business at such special meeting shall be limited to the purpose or purposes specified in said notice.

As soon as practical after the posting of said notice, but not less than three (3) days prior to the date set for such special meeting, the Secretary shall distribute to each of the newspapers, television stations, radio stations and other news media to receive the same a notice identical to that posted. A notice shall be considered distributed to a news medium when it has been addressed to such news medium at its normal business address, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail. In addition, a copy of such notice shall be mailed to each member and to the Secretary and Treasurer of the Public Service Board.

A copy of such notice posted and distributed pursuant to this Section 5.02 shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Notwithstanding the foregoing provisions, notice of the recess or adjournment of any special meeting and of the time and place for the continuation or reconvening thereof publicly given during such special meeting shall be adequate notice to the public and news media of the time and place thereof, the purpose or purposes therefore remaining the same.

Provided, failure of the Secretary to comply exactly with the posting and distribution requirements hereof shall not invalidate the actions taken at the meeting for which such notice was posted and distributed if the Public Service Board shall determine that such posting and distribution were in substantial compliance herewith.

Section 5.03: A meeting of the Public Service Board may

be held without the notice to the public and news media required by Sections 5.01 and 5.02 hereof only in the event of an emergency requiring immediate official action. The existence of such an emergency requiring immediate official action shall be determined by a majority of the Public Service Board and shall be attested to in a certificate by the Chairman describing such emergency and setting forth the reason or reasons immediate official action is required, which certificate shall be attached to and made a part of the minutes of such emergency meeting. The secretary shall notify the members of the Public Service Board in person or by telephone at least two (2) hours prior to the emergency meeting.

ARTICLE SIX

EMPLOYEES OF THE PUBLIC SERVICE BOARD

Section 6.01: The Public Service Board may in its discretion employ a general manager, an attorney, a fiscal agent, one or more engineers, and such other employees as the Board may determine necessary and expedient, in accordance with Sections 5 and 6 of the Public Service District Act.

ARTICLE SEVEN

AMENDMENTS TO RULES AND REGULATIONS

Section 7.01: These Rules and Regulations may be altered, changed, amended or added to at any regular or special meeting of the Public Service Board by a majority vote of the Public Service Board members present; but no such change, alteration, amendment or addition shall be made at any special meeting unless notice of the intention to propose such a change, alteration, amendment or addition and a clear statement of the substance thereof are included in the written notice calling such meeting.

SECTION FOUR. Appointment of Officers. John V. McGrew, Jr. is hereby selected to serve as Chairman of the Public Service Board, and William C. Thurman, Secretary and Terry N. Gould, Treasurer are hereby appointed as Secretary-Treasurer of the Public Service Board, both such officers to serve until the first meeting of the Public Service Board after January 1, 1987, or such later time as their respective successors shall be duly selected and appointed.

SECTION FIVE. Conflicting Provisions Repealed. All resolutions, orders and rules, or parts thereof, in conflict with

the provisions of this Resolution are, to the extent of such conflicts, hereby repealed.

SECTION SIX. Effective Time. This Resolution and the rules and regulations promulgated hereby shall take effect immediately upon the adoption hereof.

Introduced at Public Service Board Meeting: February 13, 1986

Adopted by Public Service Board: February 13, 1986

Chairman

JOHN V. McGREW, JR.

Member

RAYMOND H. SAMPLES

Member

ROBERT TOMBLYN

CERTIFICATE

The undersigned, as Secretary of the Public Service Board of Tennerton Public Service District, hereby certifies that the foregoing is a true, correct and complete copy of Resolution No. 86-1, adopted by said Public Service Board at a meeting duly called and held on February 13, 1986, in accordance with law, and that such Resolution No. 86-1 has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS my hand and the seal of the Tennerton Public Service District, this 14th day of February, 1986.

William C. Thurman

Secretary

[SEAL]

THE RECORD DELTA
P.O. BOX 550
BUCKHANNON, WV 26201
(304) 472-2800
FEIN NO. 363672215

Tennerton PSD
PO Box 437
Buckhannon WV 26201
Attn: Terry Gould

LEGAL ADVERTISEMENT INVOICE

ACCT# 3015 **LEGAL#** 5208

DESCRIPTION Sewer Collectgion C# 07-0827-PSD-CN

PUBICATION DATES	PUBLICATION COST
6/18/2007	$ 196.65
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
AFFIDAVIT FEE	$ 2.00
TOTAL	$ 198.65

Legal Rate: .11 1/5 cents per word space for the first publication
75% of the first cost for each additional publication

AFFIDAVIT

RECEIVED
2007 JUL 23 AM 9:10
W VA PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

STATE OF WEST VIRGINIA, COUNTY OF UPSHUR,
Carmela Rice, Legal Clerk of the Record Delta,
a Newspaper Published in Buckhannon in said county,
do hereby certify that the annexed
Sewer Collectgion C# 07-0827-PSD-CN
Was published once a week for __One Time_
weeks in said Record Delta Newspaper as aforesaid,
commencing on the. 18th day of June, 2007

Legal Clerk: Carmela Rice

WEST VIRGINIA, UPSHUR COUNTY, TO WIT:
Subscribed and sworn before me this 13th
day of July 2007.

Notary Public: Phyllis J. Neuharth

My commission expires: May 26, 2013

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
PHYLLIS J. NEUHARTH
RT. 2, BOX 95
FRENCH CREEK, WV 26218
My Commission Expires May 26, 2013

RECEIVED
2007 JUL 23 AM 9:10
PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

SURCHARGE FORMULA TO BE APPLIED IN CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

Ci = VoVu + BoBi = SoSi

Ci = charge to unusual users per year

Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = volume of waste water from unusual users, in gallons per year

Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound

Bi = weight of BID from unusual users, in pounds per year

So = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound

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

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgement of the Tennerton Public Service District, should not be introduced into the sewer system need not be handled by it.

The proposed increased rates and charges will increase the average bill (4,500 gallons per month usage) by $4.50, an increase of 15%.

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

Pursuant to 24-2-11, West Virginia Code, IT IS ORDERED that the Tennerton Public Service District give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Upshur County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. all protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

FOR THE COMMISSION:

Sandra Squire
Executive Secretary

SS./s
070827sa
(06-18)

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 4th day of June, 2007.

CASE NO. 07-0827-PSD-CN

TENNERTON PUBLIC SERVICE DISTRICT
Buckhannon, West Virginia

Application for a certificate of convenience and necessity to construct an extension to its sanitary sewer collection system to serve approximately 130 new customers in Upshur County.

AMENDED NOTICE OF FILING

WHEREAS, on May 11, 2007, Tennerton Public Service District, filed an application, duly verified, for a Certificate to construct an extension to its sanitary sewer collection system to serve approximately 130 new customers in Upshur County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, Tennerton Public Service District (District) estimates that construction will cost approximately $2,400,000.00. It is proposed that the construction will be financed by USDA-Rural Development grant in the amount of $950,000.00; a USDA-Rural Development loan in the amount of $1,400,000.00, at an interest rate of 4.125% for 38 years; and a contribution from the Tennerton Public Service District in the amount of $50,000.00.

WHEREAS, the District anticipates charging the following sewer rates for its customers:

AVAILABILITY OF SERVICE

Available for general, domestic, commercial and industrial service

RATE

Flat rate = $7.67 per 1,000 gallons per month

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of the meter installed:

5/8 inch X 3/4" meter	$15.34 per month
3/4 inch meter	$23.01 per month
1 inch meter	$38.35 per month
1 - 1/2 inch meter	$76.70 per month
2 inch meter	$122.72 per month
3 inch meter	$230.10 per month
4 inch meter	$383.50 per month
6 inch meter	$767.00 per month
8 inch meter	$1,227.20 per month

Minimum monthly bill = 415.34 for 2,000 gallons

LEAK ADJUSTMENT INCREMENT

$2.69 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

FLAT RAGE CHARGE (customers with non-metered water supply)

Equivalent of 4,000 gallons of water usage - $30.68 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten (10%) will be added to net amount shown. If any bill is not paid within sixty (60) days after date, sewer service to the customer will be discontinued. Sewer service will not be restored until all past due sewer bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

CONNECTION CHARGE

All new customers will be charged, prior to the start of construction, the sum of $150.00 for connection to the system.

After the start of construction, a charge of $300.00 for connection to the system.

TENNERTON PUBLIC SERVICE DISTRICT
JANURARY 9, 2008
MINUTES

THE TENNERTON PUBLIC SERVICE DISTRICT MET AT THE DISTRICT OFFICE AT 188 FAYETTE STREET, BUCKHANNON, WEST VIRGINIA ON THIS DATE AT 3:30 P.M.

PRESENT WERE: JOHN JENKINS, JOHN McGREW, TERRY GOULD, DAVE WATSON, THRASHER ENGINEERING AND MORGAN HAYMOND, PROJECT R-O-W AGENT

MINUTES OF THE DECEMBER 12, 2007 MEETING WERE READ AND APPROVED.

MORGAN HAYMOND PRESENTED A LISTING OF THE R-O-W THAT HAVE BEEN COMPLETED. A NEW PROBLEM IN GAINING R-O-W HAS DEVELOPED WITH GARY EVANS. THIS IS A SMALL RESIDENTIAL PIECE OF PROPERTY THAT THE OWNER WANTS TO SELL TO TENNERTON PSD AT A NOMINAL PRICE RATHER THAN SIGN A R-O-W AGREEMENT. MR. HAYMOND WILL CONTINUE TO NEGOTIATE. HE STATED THAT APPROXIMATLY 4 OWNERS CONTINUE TO REFUSE A R-O-W. MR. HAYMOND, TERRY GOULD AND DAVE WATSON WILL MEET WITH THE BUCKHANNON COUNTRY CLUB AND EXPLAIN THE AGREEMENT FOR A R-O-W THROUGH THE GOLF COURSE. MR. HAYMOND THEN DEPARTED THE MEETING.

THE NEXT ORDER OF BUSINESS AND SINCE THIS IS THE FIRST MEETING OF THE NEW YEAR; ELECTION OF OFFICERS MUST BE HELD. UPON MOTION AND VOTE, WHICH PASSED, THE FOLLOWING OFFICIALS WERE ELECTED:

JOHN V. McGREW-CHAIRMAN
JOHN JENKINS------SECRETARY
REX REEDER--------TREASURER

DAVE WATSON THEN PRESENTED AN UPDATE ON THE EAST SIDE PHASE II A PROJECT. A REVIEW WAS MADE OF THE BID TABULATIONS WHERE BY PIPE PLUS, INC. OF ST. ALBANS, WV. NINE CONTRACTORS BID THE JOB AND PIPE PLUS, INC. WAS LOW BIDDER AT $1,657,730.75. THRASHER ENGINEERING HAS NOTIFIED THE CONTRACTOR A NOTICE OF INTENT TO AWARD THE

CONTRACT.

JOHN McGREW THEN QUESTIONED DAVE WATSON ABOUT THE SURVEY OF A LINE TO THE THANA WENTZ PROPERTY. DAVE STATED HE WILL CHECK ON THAT JOB.

JOHN JENKINS WILL MEET WITH DAVE WATSON AND THEY WILL BOTH TO TO JOHN FETTY TO TRY TO GET HIM TO SIGN A R-O-W AGREEMENT.

THE UPSHUR COUNTY COMMISSION HAS SENT A LETTER TO FEMA IN HOPES OF OBTAINING AN EASEMENT FOR THE EAST SIDE II A LIFT STATION SITE.

UPON MOTION BY JOHN McGREW AND SECONDED BY JOHN JENKINS THE DISTRICT IS TO ORDER A SIGNATURE STAMP FOR THE CHAIRMAN.

BY MOTION OF JOHN JENKINS, SECONDED BY JOHN McGREW, THE FOLLOWING CREDIT MEMOS WERE APPROVED:

MIKE HYRE----------$126.09
SHARON SABO, INC.-----41.03
PATRICIA KARLEN-------85.66
TENNERTON AUTO-------81.19
MILDRED HELTON--------48.44
RODNEY MURPHY--------40.19

ALL THESE WERE FOR WATER LEAKS

TERRY GOULD REPORTED THAT THE BOARD HAD BILLED 725 CUSTOMERS FOR A TOTAL BILLING OF $25,391.65, AND HAD RECEIVED ON ACCOUNT $23,045.91. THE DISTRICT HAD THE FOLLOWING AMOUNTS ON DEPOSIT:

1) OPERATING ACCOUNT----------$72,942.70
2) RESERVE ACCOUNT----------$27,573.21
3) MONEY MARKET----------$48,119.04

THE MONTHLY BILLS WERE PRESENTED FOR PAYMENT AND ARE ATTACHED AND MADE PART OF THESE MINUTES. MOTION TO PAY BILLS BY JOHN JENKINS, SECONDED BY JOHN McGREW. MOTION CARRIED.

THERE BEING NO FURTHER BUSINESS TO DISCUSS, THE MEETING ADJOURNED AT 4:00 P.M.

RESPECTFULLY SUBMITTED:

APPROVED BY:

TENNERTON PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION, AND DRAW RESOLUTION

The undersigned SECRETARY of the Public Service Board of Tennerton Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Tennerton Public Service District met in special session, pursuant to notice duly posted, on the 15th day of April, 2008, in Upshur County, West Virginia, at the hour of 10:00 a.m.

PRESENT: John McGrew
Rex Reeder
John Jenkins

John McGrew, Chairman, presided, and John Jenkins, acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF TENNERTON PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY TENNERTON PUBLIC SERVICE DISTRICT OF NOT MORE THAN $1,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 A (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR

THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by John Jenkins and seconded by Rex Reeder, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Rex Reeder and seconded by John Jenkins, it was unanimously ordered that the said Draw Resolution be adopted

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

WITNESS my signature on this 17th day of April, 2008.

Secretary

03.20.08
893440.00001

WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Suite 500, Terminal Building
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: April 17,2008

ISSUE: Tennerton Public Service District, Sewer Revenue Bonds, Series 2008 A (United States Department of Agriculture)

ADDRESS: 188 Fayette Street, Buckhannon, West Virginia 26201 COUNTY: Upshur

PURPOSE OF ISSUE: New Money: X
Refunding: _____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: April 17, 2008

CLOSING DATE: April 17, 2008

ISSUE AMOUNT: $ 1,400,000

RATE: N/A

1ST DEBT SERVICE DUE: N/A

1ST PRINCIPAL DUE: N/A

1ST DEBT SERVICE AMOUNT: N/A

PAYING AGENT: Issuer

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: John C. Stump, Esquire
Phone: (304) 353-8196

UNDERWRITERS COUNSEL: _____
Contact Person: _____
Phone: _____

CLOSING BANK: N/A
Contact Person: _____
Phone: _____

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Terry Gould
Position: Manager
Phone: (304) 472.1904

OTHER: United States Department of Agriculture
Contact Person: Joe Crickenberger
Function: Rural Development Specialist
Phone: (304) 636-2158

DEPOSITS TO MBC AT CLOSE:
By: ____ Wire
____ Check

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

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

____ To Escrow Trustee: $_____
____ To Issuer $_____
____ To Cons. Invest. Fund $_____
____ To Other: _____ $_____

NOTES: Monthly debt service payments will be made by the District directly to the National Finance Office. The Municipal Bond Commission will only hold the Series 2008 A Bonds Reserve Account. Payments to the Series 2008 A Bonds Reserve Account will commence upon completion of construction.

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.

03.14.08
893440.00001

United States Department of Agriculture
Rural Development
Elkins Area Office

April 4, 2008

Tennerton Public Service District
Attention: Mr. John V. McGrew, Jr., Chairman
188 Fayette Street
Buckhannon, WV 26201

Dear Chairman McGrew:

This letter is to confirm that the pre-closing meeting for the USDA Rural Development, Rural Utilities Service (RUS) loan and grant on the upcoming Tennerton PSD Phase IIA Sewer Line Extension Project has now been rescheduled for April 15, 2008, at 10:00 a.m. in the Upshur County Courthouse Annex, County Commission Meeting Room 301, located at 38 West Main Street, Buckhannon, West Virginia. A pre-construction conference is to follow at 11:00 a.m. in the same location. The official loan closing date for the PSD's project will be April 17, 2008. The project attorney should attend the pre-closing meeting, and the project accountant should be available for consultation if needed.

All of the requirements set forth in the RUS Letter of Conditions dated April 11, 2007 must be met and the loan and grant must be closed in accordance with RUS Instruction 1780. Many of the aforementioned items from the Letter of Conditions have already been addressed. Those items remaining to be satisfied prior to loan and grant closing include:

1. The certification on the RUS Grant Agreement (RUS Bulletin 1780-12) will be executed at the pre-closing meeting.

2. The certification on the RUS Loan Resolution (RUS Bulletin 1780-27) will be executed at the pre-closing meeting.

3. The PSD's attorney must provide a completed and signed Form RD 442-22, Opinion of Counsel Relative to Rights-of-Way, showing no exceptions. This form should be dated April 17, 2008. It should include an attached list of all of the rights-of-way needed for the project identifying which ones have been obtained and recorded.

4. The PSD's attorney must furnish a Form RD 1927-10, Final Title Opinion, on all land(s) being acquired. In addition, the attorney must provide a separate final title opinion(s) covering all existing property owned by the PSD. The opinion(s) should be dated April 17, 2008, and they should include legal descriptions (and plats if they are available).

Randolph Center Building • 1200 Harrison Avenue, Suite 150 • Elkins, West Virginia 26241
Phone: (304) 636-2158 • Fax: (304) 636-5902 • TDD: (304) 284-4836 • Web: http://www.rurdev.usda.gov/wv

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

5. In accordance with Item 8(c) of the letter of conditions, the PSD's attorney must furnish a narrative opinion addressing all permits, certifications, and other items necessary to show that all legal requirements can be met and stating how they will be met. The narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled. If the PSD was unable to obtain the necessary property rights for any tract or right-of-way, a "right of entry" must be obtained for all properties before the pre-closing.

6. In accordance with the Legal Services Agreement, the project attorney should be on hand during the pre-construction conference to review construction contracts, and contracting procedure, as well as surety and contractual bonds in connection with the project. The attorney must sign the certification in the contract specification book, and record the payment and performance bonds as appropriate.

7. No later than the date of the pre-closing meeting, the PSD must provide written evidence that all required insurance coverage and fidelity bond coverage has been obtained in accordance with Item 11 of the Letter of Conditions.

8. The permit from the West Virginia Department of Highways must be on hand at the closing. The PSD should proceed to obtain the necessary bond and forward it to the WVDOH with a request that the permit be issued if this has not already been done.

9. All applicable Public Service Commission certificates and/or approvals must be obtained prior to closing, and a copy provided to RUS. We have a copy of the PSC Final Order on the Certificate case that became final on October 31, 2007. If any further PSC approvals have been required, please provide copies of them to our office.

10. In order to verify the PSD's contribution to the total project cost, the PSD must provide proof of their payments to Thrasher Engineering Inc, for Invoice #1 and Invoice #2 for engineering services on this project.

11. The PSD must provide RUS with a current copy of their Workers' Compensation Certificate (if applicable).

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

13. The first requisition for Rural Development funds should be created and submitted for Rural Development review as soon as possible. Once it is approved, the bond counsel will need to know the amount so that the bond can be completed.

14. Please be prepared to have a properly called meeting of the PSD's Board of Directors during the pre-closing process. Also please bring any official seal that the PSD uses for authenticating documents.

15. Nancy Taylor, our Rural Development Technician, is planning to complete a Civil Rights Compliance Review with the PSD at the pre-closing. This is normally in the format of an informal interview to help her gather the information for the review.

Thank you for doing business with USDA Rural Development. If you have any questions regarding these or any other matters pertaining to your loan and grant, please contact our office at your earliest convenience.

Sincerely,

Joseph D. Crickenberger
Rural Development Specialist

cc: State Director
USDA- Rural Development

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

Thomas R. Ross, II, Esquire
P.O. Box 2448
Elkins, WV 26241

Thrasher Engineering, Inc.
Attention: David L. Watson, Project Engineer
P.O. Box 1532
Clarksburg, WV 26301

Harris & Company, CPA's
Attention: Randy L. Harris, CPA
P.O. Box 732
Buckhannon, WV 26201

Bond Counsel 09 MAR 2007

USDA Rural Development

United States Department of Agriculture
Rural Development
West Virginia State Office

April 11, 2007

John McGrew, Chairman
Tennerton Public Service District
188 Fayette Street
Buckhannon, WV 26201

COPY

Dear Mr. McGrew:

This letter, with Attachments 1 through 12 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of $1,400,000, an RUS grant in the amount of $950,000, and other funding in the amount of $50,000, for a total project cost of $2,400,000. The other funding is planned in the form of a contribution from the Tennerton Public Service District.

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

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

Attachment No. 1 - Project Construction Budget (All Copies)
Attachment No. 2 - Water and Waste Processing Checklist for Tennerton PSD (All Copies)
Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)

75 High Street Federal Building, Suite 320, Morgantown, WV 26505-7500
Phone: (304) 284-4860 • Fax: (304) 284-4893 • TDD: (304) 284-4836 • Web: http://www.rurdev.usda.gov/wv

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Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)
Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"
Attachment No. 8 - Government Auditing Standards (Revision 2003) (Accountant Copy)
Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement "
Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
Attachment No. 11 - Sample Credit Agreement (Applicant Copy)
Attachment No. 12 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.125% interest rate and a monthly amortization factor of .00435, which provides for a monthly payment of $6,090. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

   You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of shared first priority, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond resolution which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.

3. Users - This conditional commitment is based upon you providing evidence that you will have at least 791 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a signed certification from you that identifies and attests to the number of users actually connected to and using the PSD's existing sewer system, which is to be partially

replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids. The 127 proposed new users on the system will be required by statute (mandatory hook-up provision) to connect to and utilize the system. The PSD must provide a written certification that it will enforce the state statute.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of resolution to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.

5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 510-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (2002 Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.

6. Legal Services – It will be necessary for you to obtain the services of a local attorney. For your convenience "Rural Utilities Service Legal Services Agreement" is enclosed for your use.

7. Accounting Services – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:

   a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).

   b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond resolution have been established and are operational.

   The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

   RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your PSD. The attached booklets, "Government Auditing Standards (Revised 2003)" (Attachment No. 8), and RUS Bulletins 1780-30 and 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

   You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends $500,000 or more in federal funds in any one fiscal year. You must enter

into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:

   a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.

   b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the PSD already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.

   c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.

   d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

   e. On the day of loan closing, the PSD's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the PSD has already acquired real property(s) (land or facilities), the PSD's attorney will provide a separate final title opinion(s) covering such property(s)

on the day of loan closing.

9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:

   - West Virginia Department of Highways
   - Railroads
   - State Department of Health
   - Department of Environmental Protection
   - Corps of Engineers
   - Public Land Corporation

10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:

    a. A Certificate of Convenience and Necessity.

    b. Approval of user charges that are acceptable to you and the Rural Utilities Service.

    c. Approval of financing for the project's proposed financing arrangements.

    The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

    a. Liability Insurance - Personal Liability - $500,000; Property Damage - $200,000 - $200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.

    b. Workers' Compensation - In accordance with appropriate State laws.

    c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to the estimated highest monthly

construction drawdown. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:

(1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.

(2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

12. Contract Documents, Final Plans and Specifications -

a. The contract documents should consist of the following:

(1) EJCDC Document No. C-521-FA, 2002 Edition, "Suggested Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. C-710-FA, "Standard General Conditions of the Construction Contract – Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.

(2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

b. The contract documents must provide, as a minimum, the following insurance:

(1) Liability Insurance - Personal Liability - $500,000; Property Damage - $200,000 - $200,000. This coverage must include indemnification of the PSD and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.

(3) Workers' Compensation - In accordance with applicable State laws.

c. The contract documents and final plans and specifications must be submitted to RUS for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.

14. Interim Financing - Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 11).

15. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your PSD, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

Public Bodies – Interest earned on grant funds in excess of $100 per year will be submitted to RUS at least quarterly as required in 7 CFR 3016.

The PSD will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of

funds expected to be deposited in the Construction Account. All deposits in excess of $100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The PSD must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

16. Sewage Treatment Contract - You propose to purchase sewage treatment from the City of Buckhannon; therefore, you must enter into a Sewage Treatment Contract. Form RD 442-30, "Water Purchase Contract" may be used as a guide.

17. Other Project Funds - Prior to advertisement for construction bids, you must provide evidence showing the approval of any other project funds. This evidence should include a copy of the funding award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the other project funds are available for expenditure. This evidence should consist of at least a letter from the funding agency stating the funds are available for expenditure.

18. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

    Form RD 1940-1 - "Request for Obligation of Funds"
    RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
    RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"
    Form RD 400-1 - "Equal Opportunity Agreement"
    Form RD 400-4 - "Assurance Agreement"
    Form AD 1047 - "Certification Regarding Debarment - Primary"
    Form AD 1049 - "Certification Regarding Drug-Free Workplace"
    Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"
    FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
    Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)
    Certification of Compliance
    Form RD 1942-46, "Letter of Intent to Meet Conditions"

19. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.

20. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids

received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused RUS project funds exceeds the RUS grant, that part would be RUS loan funds and would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

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

Sincerely yours,

ROBERT M. STEPTOE, III
State Director

Enclosures

cc: Rural Development Specialist
Elkins, WV

Harris & Company, CPAs
ATTN: Randy L. Harris, CPA
P.O. Box 732
Buckhannon, WV 26201

Thomas R. Ross, II
P.O. Box 2448
Elkins, WV 26241

Thrasher Engineering
ATTN: David L. Watson, P.E.
P.O. Box 1532
Clarksburg, WV 26301

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

Attachment No. 1 to Letter of Conditions
For: Tennerton Public Service District
Date: April 11, 2007

Project Construction Budget

PROJECT COST	PSD CONTRIBUTION	RUS GRANT	RUS LOAN	TOTAL
CONSTRUCTION		$ 710,200	$ 960,600	$ 1,670,800
CONST. CONTINGENCY		$ 59,900	$ 80,900	$ 140,800
LAND & RIGHTS		$ 12,800	$ 17,200	$ 30,000
LEGAL FEES		$ 10,600	$ 14,400	$ 25,000
BOND COUNSEL		$ 8,500	$ 11,500	$ 20,000
ACCOUNTING		$ 1,100	$ 1,400	$ 2,500
ENGINEERING FEES	$ 50,000	$ 121,200	$ 163,800	$ 335,000
Basic - $178,000				
Insp. - $105,000				
Special - $52,000				
INTEREST			$ 115,500	$ 115,500
PROJECT CONTG.		$ 25,700	$ 34,700	$ 60,400
TOTAL	**$ 50,000**	**$ 950,000**	**$ 1,400,000**	**$ 2,400,000**

Rates

Available for general domestic, commercial, and industrial service.

First	2,000	gallons @	$	7.67	per M gallons
Over	2,000	gallons @	$	7.67	per M gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8" x 3/4"	meter	$	15.34	per month
3/4"	meter	$	23.01	per month
1"	meter	$	38.35	per month
1 1/2"	meter	$	76.70	per month
2"	meter	$	122.72	per month
3"	meter	$	230.10	per month
4"	meter	$	383.50	per month
6"	meter	$	767.00	per month
8"	meter	$	1,227.20	per month

Minimum Monthly Bill $ 15.34 for 2,000 gallons

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge - $150.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 1 to Letter of Conditions
For: Tennerton Public Service District
Date: April 11, 2007

Tennerton PSD
USE AND INCOME ANALYSIS
EXISTING SYSTEM

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 2,000	Over 2,000	TOTAL REVENUE
0 - 2,000	200	400.00	200			
Over 2,000	464	3,011.00		864.00	2,147.00	
Monthly Total	664.00	3,411.00	200.00	864.00	2,147.00	
Proposed Rates			$ 15.34	$ 7.67	$ 7.67	
Monthly Revenues			$ 3,068.00	$ 6,626.88	$ 16,467.49	**$ 26,162.37**
Annual Revenues			$ 36,816.00	$ 79,522.56	$ 197,609.88	**$ 313,948.44**

TENNERTON PSD
USE AND INCOME ANALYSIS
"IDENTIFIED EXTENSION AREAS"

Blocking	Cust.	Gal/ Mo.	Minimum Bills	FIRST 2,000	OVER 2,000	TOTAL REVENUE
0 - 2,000	36	72.00	36			
Over 2,000	91	435.00		174.00	261.00	
Monthly Total	127	507.00	36.00	174.00	261.00	
Proposed Rates			$ 15.34	$ 7.67	$ 7.67	
Monthly Revenues			$ 552.24	$ 1,334.58	$ 2,001.87	**$ 3,888.69**
Annual Revenues			$ 6,626.88	$ 16,014.96	$ 24,022.44	**$ 46,664.28**

Tennerton PSD
OPERATING BUDGET

OPERATING INCOME		
Metered Sales	$ 360,612	
Penalties		
Other Income		
Reconnect Fees		
TOTAL OPERATING INCOME		$ 360,612
NON OPERATING INCOME		
Interest income	$ 2,106	
TOTAL NON OPERATING INCOME		$ 2,106
TOTAL INCOME		$ 362,718
EXPENSES		
O & M	$ 199,668	
Taxes		
TOTAL EXPENSES		$ 199,668
INCOME AVAILABLE FOR D/S (A)		$ 163,050
DEBT SERVICE		
Existing Bond P & I (B)	$ 69,414	
Proposed Bond P & I (B)	$ 73,080	
TOTAL DEBT SERVICE		$ 142,494
DEBT SERVICE RESERVE		
Debt Service Reserve - USDA	$ 7,308	
Debt Service Reserve - Capital State	$ 2,934	
TOTAL DEBT SERVICE RESERVE		$ 10,242
SURPLUS (DEFICIT)		$ 10,314
DEBT COVERAGE (A/B)		$ 1.14

Proposed bond is based on a RUS loan of $1,400,000 @ 4.125% for 38 years.

Attachment No. 2 to Letter of Conditions
For: Tennerton PSD
Date: April 11, 2007

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
Water and Waste Processing Checklist

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		HAVE	3
	DUNS Number	1		Applicant		HAVE	3
	CAIVRS Number	1		RUS		HAVE	CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		HAVE	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		HAVE	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney			5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney			2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		HAVE	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		HAVE	1
EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		HAVE	6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		HAVE	5
	Site Visit		S.I. 1780-2	RUS			3
	Processing Conference	1	1780.39(a)	RUS			3
	Environmental Report	2	1794	Applicant		HAVE	3
	Environmental Assessment	2	1794	RUS/ Engineer		HAVE	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		HAVE	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		HAVE	6
	Staff Engineer PER Review	1	1780.33(c)	RUS			3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer			8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Statement reporting the total number of potential users		1780.33(c)	Applicant/ Engineer		HAVE	8
	Rate Tariff	2	1780.33	Applicant		HAVE	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		HAVE	3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		HAVE	3
	Documentation on Service Area	1	1780.11	RUS			3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		HAVE	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS			3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant			5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Information	3	1780.41(a)	RUS			1
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant			2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant			2

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3
RD 1910-11	Applicant Certification, Federal Collect-ion Policies	1	1780.33(h)	Applicant			3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant			5
	Loan Agreement	2	1780.14	RUS			5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		HAVE	5
	Sewer Users Agreement or State Health Dept. Mandatory Hook-Up Com-mitment Ltr.	1	1780.39 (c)(3)	Applicant			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Evidence of Users:						
	Map of Users with each identified by number	1	LOC	Applicant			Separate File
	Verification of Users	1	1780.44(b)	RUS			3
	Sewer Treatment Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS			5
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant		HAVE	3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documenta-tion	1	1780.39(d)	Applicant/ RUS			1
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Operation and Maintenance Agreement	1	1780.39 (b)(4)	Applicant			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Evidence of Applicant Contribution	1	1780.44(f)	Applicant			2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
RD 442-10	Appraisal Report	1	1780.44(g)	RUS			8
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

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Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 16 U.S.C. 1005.

Subpart D - Information Pertaining to Preparation of Notes or Bonds and Bond Transcript Documents for Public Body Applicants Subpart D - Information Pertaining to Preparation of Notes or Bonds and Bond Transcript Documents for Public Body Applicants"

§1780.80 General.

This subpart includes information for use by public body applicants in the preparation and issuance of evidence of debt (bonds, notes, or debt instruments, referred to as bonds in this subpart) and other necessary loan documents.

§1780.81 Policies related to use of bond counsel.

The applicant is responsible for preparation of bonds and bond transcript documents. The applicant will obtain the services and opinion of recognized bond counsel experienced in municipal financing with respect to the validity of a bond issue, except for issues of $100,000 or less. With prior approval of the approval official, the applicant may elect not to use bond counsel. Such issues will be closed in accordance with the following:

(a) The applicant must recognize and accept the fact that application processing may require additional legal and administrative time;

(b) It must be established that not using bond counsel will produce significant savings in total legal costs;

(c) The local attorney must be able and experienced in handling this type of legal work;

(d) The applicant must understand that it will likely have to obtain an opinion from bond counsel at its expense should the Agency require refinancing of the debt;

(e) Bonds will be prepared in accordance with this regulation and conform as closely as possible to the preferred methods of preparation stated in §1780.94; and

(f) Closing instructions must be issued by OGC.

§1780.82 [Reserved]

§1780.83 Bond transcript documents

Any questions relating to Agency requirements should be discussed with Agency representatives. Bond counsel or local counsel, as appropriate, must furnish at least two complete sets of the following to the applicant, who will furnish one complete set to the Agency:

(a) Copies of all organizational documents;

(b) Copies of general incumbency certificate;

(c) Certified copies of minutes or excerpts from all meetings of the governing body at which action was taken in connection with the authorizing and issuing of the bonds;

(d) Certified copies of documents evidencing that the applicant has complied fully with all statutory requirements incident to calling and holding a favorable bond election, if one is necessary;

(e) Certified copies of the resolutions, ordinances, or other documents such as the bond authorizing resolutions or ordinances and any resolution establishing rates and regulating use of facility, if such documents are not included in the minutes furnished;

(f) Copies of the official Notice of Sale and the affidavit of publication of the Notice of Sale when State statute requires a public sale;

(g) Specimen bond, with any attached coupons;

(h) Attorney's no-litigation certificate;

(i) Certified copies of resolutions or other documents pertaining to the bond award;

(j) Any additional or supporting documents required by bond counsel;

(k) For loans involving multiple advances of Agency loan funds, a preliminary approving opinion of bond counsel (or local counsel if no bond counsel is involved) if a final unqualified opinion cannot be obtained until all funds are advanced. The preliminary opinion for the entire issue shall be delivered at or before the time of the first advance of funds. It will state that the applicant has the legal authority to issue the bonds, construct, operate and maintain the facility, and repay the loan, subject only to changes occurring during the advance of funds, such as litigation resulting from the failure to advance loan funds, and receipt of closing certificates;

(l) Final unqualified approving opinion of bond counsel, (and preliminary approving opinion, if required) or local counsel if no bond counsel is involved, including an opinion as to whether interest on bonds will be exempt from Federal and State income taxes. With approval of the State program official, a final opinion may be qualified to the extent that litigation is pending relating to Indian claims that may affect title to land or validity of the obligation. It is permissible for such opinion to contain language referring to the last sentence of Section 306 (a)(1) or to Section 309A (h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 (a)(1) or 1929a (h)).

§§1780.84 and 1780.86 [Reserved]

§1780.87 Permanent instruments for Agency loans.

Agency loans will be evidenced by an instrument determined legally sufficient and in accordance with the following order of preference:

(a) First preference - Form RD 440-22, "Promissory Note". Refer to paragraph (b) of this section for methods of various frequency payment calculations.

(b) Second preference - single instruments with amortized installments. A single instrument providing for amortized installments which follows Form RD 440-22 as closely as possible. The full amount of the loan must show on the face of the instrument, and there must be provisions for entering the date and amount of each advance on the reverse or an attachment. When principal payments are deferred, the instrument will show that "interest only" is due on interest-only installment dates, rather than specific dollar amounts. The payment period including the "interest only" installment cannot exceed 40 years, the useful life of the facility, or State statute limitations, whichever occurs first. The amortized installment, computed as follows, will be shown as due on installment dates thereafter.

(1) Monthly payments. Multiply by twelve the number of years between the due date of the last interest-only installment and the final installment to determine the number of monthly payments. When there are no interest-only installments, multiply by twelve the number of years over which the loan is amortized. Then multiply the loan amount by the amortization factor and round to the next higher dollar.

(2) Semiannual payments. Multiply by two the number of years between the due date of the last interest-only installment and the due date of the final installment to determine the correct number of semiannual periods. When there are no interest-only installments, multiply by two the number of years over which the loan is amortized. Then multiply the loan amount by the applicable amortization factor.

(3) Annual payments. Subtract the due date of the last interest-only installment from the due date of the final installment to determine the number of annual payments. When there are no interest-only installments, the number of annual payments will equal the number of years over which the loan is amortized. Then multiply the loan amount by the applicable amortization factor and round to the next higher dollar

(c) Third preference - single instruments with installments of principal plus interest. If a single instrument with amortized installments is not legally permissible, use a single instrument providing for installments of principal plus interest accrued on the principal balance. For bonds with semiannual interest and annual principal, the interest is calculated by multiplying the principal balance times the interest rate and dividing this figure by two. Principal installments are to be scheduled so that total combined interest and principal payments closely approximate amortized payments.

(1) The repayment terms concerning interest only installments described in paragraph (b) of this section apply.

(2) The instrument shall contain in substance provisions indicating:

(i) Principal maturities and due dates;

(ii) Regular payments shall be applied first to interest due through the next principal and interest installment due date and then to principal due in chronological order stipulated in the bond; and

(iii) Payments on delinquent accounts will be applied in the following sequence:

(A) billed delinquent interest;

(B) past due interest installments;

(C) past due principal installments;

(D) interest installment due; and

(E) principal installment due.

(d) Fourth preference - serial bonds with installments of principal plus interest. If instruments described under the first, second, and third preferences are not legally permissible, use serial bonds with a bond or bonds delivered in the amount of each advance. Bonds will be numbered consecutively and delivered in chronological order. Such bonds will conform to the minimum requirements of §1780.94. Provisions for application of payments will be the same as those set forth in paragraph (c)(2)(ii) of this section.

(e) Coupon bonds. Coupon bonds will not be used unless required by State statute. Such bonds will conform to the minimum requirements of §1780.94.

§1780.88 [Reserved]

§1780.89 Multiple advances of Agency funds using permanent instruments.

Where interim financing from commercial sources is not used, Agency loan proceeds will be disbursed on an "as needed by borrower" basis in amounts not to exceed the amount needed during 30-day periods.

§1780.90 Multiple advances of Agency funds using temporary debt instruments.

When none of the instruments described in §1780.87 are legally permissible or practical, a bond anticipation note or similar temporary debt instrument may be used. The debt instrument will provide for multiple advances of Agency funds and will be for the full amount of the Agency loan. The instrument will be prepared by bond counsel, or local counsel if bond counsel is not involved, and approved by the State program official and OGC. At the same time the Agency delivers the last advance, the borrower will deliver the permanent bond instrument and the canceled temporary instrument will be returned to the borrower. The approved debt instrument will show at least the following:

(a) The date from which each advance will bear interest;

(b) The interest rate as determined by §1780.13;

(c) A payment schedule providing for interest on outstanding principal at least annually; and

(d) A maturity date which shall be no earlier than the anticipated issuance date of the permanent instruments and no longer than the 40-year statutory limit.

§§1780.91 - 1780.93 [Reserved]

§1780.94 Minimum bond specifications.

The provisions of this section are minimum specifications only and must be followed to the extent legally permissible.

(a) Type and denominations. Bond resolutions or ordinances will provide that the instruments be either a bond representing the total amount of the indebtedness or serial bonds in denominations customarily accepted in municipal financing (ordinarily in multiples of not less than $1,000). Single bonds may provide for repayment of principal plus interest or amortized installments. Amortized installments are preferred by the Agency.

(b) Bond registration. Bonds will contain provisions permitting registration for both principal and interest. Bonds purchased by the Agency will be registered in the name of "United States of America" and will remain so registered at all times while the bonds are held or insured by the Government. The Agency address for registration purposes will be that of the Finance Office.

(c) Size and quality. Size of bonds and coupons should conform to standard practice. Paper must be of sufficient quality to prevent deterioration through ordinary handling over the life of the loan.

(d) Date of bond. Bonds will normally be dated as of the day of delivery. However, the borrower may use another date if approved by the Agency. Loan closing is the date of delivery of the bonds or the date of delivery of the first bond when utilizing serial bonds, regardless of the date of delivery of the funds. The date of delivery will be stated in the bond if different from the date of the bond. In all cases, interest will accrue from the date of delivery of the funds.

(e) Payment date. Loan payments will be scheduled to coincide with income availability and be in accordance with State law.

(1) If income is available monthly, monthly payments are recommended unless precluded by State law. If income is available quarterly or otherwise more frequently than annually, payments must be scheduled on such basis. However, if State law only permits principal plus interest (P&I) type bonds, annual or semiannual payments will be used.

(2) The payment schedule will be enumerated in the evidence of debt, or if that is not feasible, in a supplemental agreement.

(3) If feasible, the first payment will be scheduled one full month, or other period, as appropriate, from the date of loan closing or any deferment period. Due dates falling on the 29th, 30th, and 31st day of the month will be avoided. When principal payments are deferred, interest-only payments will be scheduled at least annually.

(f) Extra payments. Extra payments are derived from the sale of basic chattel or real estate security, refund of unused loan funds, cash proceeds of property insurance and similar actions which reduce the value of basic security. At the option of the borrower, regular facility revenue may also be used as extra payments when regular payments are current. Unless otherwise established in the note or bond, extra payments will be applied as follows:

(1) For loans with amortized debt instruments, extra payments will be applied first to interest accrued to the date of receipt of the payment and second to principal.

(2) For loans with debt instruments with P&I installments, the extra payment will be applied to the final unpaid principal installment.

(3) For borrowers with more than one loan, the extra payment will be applied to the account secured by the lowest priority of lien on the property from which the extra payments was obtained. Any balance will be applied to other Agency loans secured by the property from which the extra payment was obtained.

(4) For assessment bonds, see paragraph (k) of this section.

(g) The place of payments on bonds purchased by the Agency will be determined by the Agency.

(h) Redemptions. Bonds will normally contain customary redemption provisions. However, no premium will be charged for early redemption on any bonds held by the Government.

(i) Additional revenue bonds. Parity bonds may be issued to complete the project. Otherwise, parity bonds may not be issued unless acceptable documentation is provided establishing that net revenues for the fiscal year following the year in which such bonds are to be issued will be at least 120 percent of the average annual debt serviced requirements on all bonds outstanding, including the newly-issued bonds. For purposes of this section, net revenues are, unless otherwise defined by State statute, gross revenues less essential operation and maintenance expenses. This limitation may be waived or modified by the written consent of bondholders representing 75 percent of the then-outstanding principal indebtedness. Junior and subordinate bonds may be issued in accordance with the loan resolution.

(j) Precautions. The following types of provisions in debt instruments should be avoided:

(1) Provisions for the holder to manually post each payment to the instrument.

(2) Provisions for returning the permanent or temporary debt instrument to the borrower in order that it, rather than the Agency, may post the date and amount of each advance or repayment on the instrument.

(3) Provisions that amend covenants contained in Forms RD 1942-47 or RD 1942-9.

(4) Defeasance provisions in loan or bond resolutions. When a bond issue is defeased, a new issue is sold which supersedes the contractual provisions of the prior issue, including the refinancing requirement and any lien on revenues. Since defeasance in effect precludes the Agency from requiring refinancing before the final maturity date, it represents a violation of the statutory refinancing requirement; therefore, it is disallowed. No loan documents shall include a provision of defeasance.

(k) Assessment bonds. When security includes special assessment to be collected over the life of the loan, the instrument should address the method of applying any payments made before they are due. It may be desirable for such payments to be distributed over remaining payments due, rather than to be applied in accordance with normal procedures governing extra payments, so that the account does not become delinquent.

(l) Multiple debt instruments. The following will be adhered to when preparing debt instruments:

(1) When more than one loan type is used in financing a project, each type of loan will be evidenced by a separate debt instrument or series of debt instruments;

(2) Loans obligated in different fiscal years and those obligated with different terms in the same fiscal year will be evidenced by separate debt instruments;

(3) Loans obligated for the same loan type in the same fiscal year with the same term may be combined in the same debt instrument;

(4) Loans obligated in the same fiscal year with different interest rates that will be closed at the same interest rate may be combined in the same debt instrument.

§1780.95 Public bidding on bonds.

Bonds offered for public sale shall be offered in accordance with State law and in such a manner to encourage public bidding. The Agency will not submit a bid at the advertised sale unless required by State law, nor will reference to Agency's rates and terms be included. If no acceptable bid is received, the Agency will negotiate the purchase of the bonds.

§§1780.96 - 1780.100 [Reserved]

TENNERTON PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of Freedom Bank, Belington, West Virginia (the "Bank"), hereby certify that on April 17, 2008, the Bank received an automated transfer in the amount of $173,600 to the credit of the Series 2008 A Bonds Project Construction Account, Account Number 55007359 for the Series 2008 A Bonds.

WITNESS my signature on this 17th day of April, 2008.

FREEDOM BANK

By: _____
Its: Authorized Officer

03.14.08
893440.00001

FILE

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0463

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

December 6, 2007

John V. McGrew, Jr., Chairman
Tennerton Public Service District
188 Fayette Street
Buckhannon, WV 26201

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0044849
Modification No. 1

Dear Mr. McGrew:

This correspondence shall serve as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0044849, issued the 23rd day of October 2006.

After review and consideration of the information submitted on, and with, Permit Modification Application No. WV0044849-A, dated the 31st day of August 2007, and other relevant information, the subject Permit is hereby modified to incorporate, and effectuate, the following data and changes, respectively.

1. To acquire, construct, install, operate and maintain a wastewater collection system extension to be comprised of approximately 6,600 linear feet of six (6) inch diameter gravity sewer line, 9,700 linear feet of eight (8) inch diameter gravity sewer line, 120 manholes, necessary cleanouts, one (1) lift station, one (1) simplex grinder pump station, two(2) duplex grinder pump stations, 800 linear feet of one and one half (1½) inch diameter force main, 3,400 linear feet of four (4) inch diameter force main, and all requisite appurtenances.

2. These facilities are to serve a population equivalent of approximately 520 persons in the East Tennerton, Tallmansville Road area of the Tennerton Public Service District, and convey wastewater to the City of Buckhannon's existing wastewater treatment plant for subsequent treatment and discharge to the Buckhannon River, approximately 21.3 miles from its mouth, of the Tygart Valley River of the Monongahela River. The additional wastewater flow to be generated is anticipated to be approximately 36,400 gallons per day.

3. The wastewater collection system extension project shall be constructed in accordance with the plans and specifications, approved the 30th day of October 2006, prepared by Thrasher Engineering; 30 Columbia Boulevard; P. O. Box 1532; Clarksburg, WV 26301, and entitled "Tennerton Public Service District; East Side, Phase II-A; Sanitary Sewer Collection System; Upshur County, West Virginia."

4. This permit modification shall, further, be subject to the terms and conditions of the Bureau for Public Health, Office of Environmental Health Services, Permit No. 17,300, dated the 30th day of October 2006.

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit shall remain unchanged and in effect.

Sincerely,

Lisa A. McClung
Director

LAM:jdm

This AGREEMENT, made this 17TH day of October 1996, by and between the City of Buckhannon Sanitary Board, a municipal statutory corporation, party of the first part, hereinafter referred to as "Buckhannon," and the Tennerton Public Service District, a statutory corporation, party of the second part, hereinafter referred to as "Tennerton."

1. Whereas, Buckhannon and Tennerton entered into an agreement on June 20, 1985 regarding development and operation of sewage collection and treatment facilities.

2. Whereas, due to inexperience with contracted sewer service by either party, the Agreement covered administrative and operating procedures for developing the sewer projects and use of the sewer systems in great detail.

3. Whereas, provisions of the Agreement established the method by which Buckhannon would bill Tennerton for use of its interceptor system and treatment plant. There were two components of the basic charge to Tennerton. The first of these was a charge for operating costs. It was based on the principle of proportionate use, and was calculated using the measured amounts of the Tennerton sewage flow and the sewage flow at Buckhannon's sewage treatment plant. The second component was for debt service and was calculated based on the anticipated use by each party of the sewage treatment plant when it was designed.

4. Whereas, there are other charges made to Tennerton, but they are direct charges for specific services which were not part of the agreement dated June 20, 1985.

5. Whereas, Buckhannon and Tennerton have made good faith efforts to abide by the provisions of this Agreement and have met their respective obligations to the satisfaction of the other party.

6. Whereas, the provisions for billing have proved to be awkward, cumbersome, and unreliable. The accuracy of the Tennerton flow meters has been of particular concern.

7. Whereas, the data generated since the new systems went into operation in 1987, provides a good base of information to establish more conventional billing procedures.

8. Whereas, virtually all other Buckhannon sewer customers are billed based on a pre-established rate per 1000 gallons of metered water use. This is a well established, conventional industry procedure. The only customers not billed in this manner are a very few residential customers

who do not have water service. They are billed at a flat rate based on "typical" residential customer water use.

9. Whereas, use of the sewage treatment plant, development activity, and opportunity for development have not occurred in the manner anticipated by the June 20, 1985 Agreement. There is, therefore, reason to make some adjustment to the debt service component of the charge to Tennerton.

10. Whereas, project development matters addressed in the original Agreement are no longer a matter of concern since both systems have enjoyed nine years of successful operation.

11. Whereas, many of the administrative and operational matters addressed in the original Agreement are duplications of the administrative and operational matters addressed in City of Buckhannon ordinances regulating the use of the sewer system by any sewer customer.

12. Whereas, both Buckhannon and Tennerton desire to continue the relationship whereby Tennerton discharges wastewater into the Buckhannon sewer system for transport to and treatment at the Buckhannon sewage treatment plant.

13. Whereas, both Buckhannon and Tennerton desire to simplify administrative and operational matters particularly regarding billing procedures in order to reduce costs, increase clarity, and improve fairness.

Now, therefore, it is agreed by and between the parties hereto as follows:

1. This Agreement supersedes the Agreement dated June 20, 1985 which, upon execution of this Agreement, shall become null and void.

2. Buckhannon agrees to receive waste water discharges from Tennerton at the properly designated points, transport that waste water to the sewage treatment plant, and treat the waste water for discharge to the Buckhannon River in the same manner that it provides these services for any of its other customers. At the date of this Agreement, the two designated points for Tennerton to discharge are the Buckhannon manhole just west of Rt 20 at Finks Run, and the manhole behind the USPFO building.

3. Except as hereinafter stated, all administrative and operational matters regarding Tennerton's use of the Buckhannon sewer system shall be regulated by City of Buckhannon Ordinances written and adopted for the purpose of regulating use of the sewer system by any and all sewer customers.

4. Tennerton shall keep in force for its customers, sewer use regulations, which protect it from receiving waste water or contaminants which are not acceptable to discharge into Buckhannon's system.

5. Buckhannon shall maintain the right to inspect the premises of any Tennerton customer in the same manner it has the right to inspect its own customers to determine if there is an improper discharge.

6. Tennerton shall cooperate with Buckhannon to help identify improper discharges and, if any such discharges are found, Tennerton shall make every possible effort to eliminate or minimize such discharge.

7. Billing for use of the Buckhannon sewer system by Tennerton shall be at a special rate identified as the "Public Service District rate", which rate shall be applied to the cumulative metered water use of all of the Tennerton customers. In the case of any customers without water service, Buckhannon shall use the "typical" water use to bill Tennerton that Tennerton uses to bill those individual customers. This billing procedure shall replace the existing procedure based on the "operating" component and the "debt" component.

8. At the date of this Agreement, the Public Service District rate shall be $1.45/ 1000 gallons of water use. This rate may be changed at any time as is found necessary by Buckhannon for the proper operation of the sewer system, but may only be changed by a properly adopted rate ordinance. Any such rate ordinance would be subject to review by the WV Public Service Commission.

9. Tennerton shall be responsible to provide Buckhannon, on a monthly basis, at the time Tennerton bills its individual customers, a complete list of its billing to its customers to include the names and the metered (or flat rate use for unmetered customers) water consumption of all of its customers. Tennerton shall provide this information to Buckhannon at no charge.

Since most Tennerton customers are Buckhannon water customers, Buckhannon can determine water use by these customers from its own records. In the case of Tennerton sewer customers that are not Buckhannon water customers, Tennerton shall make arrangements for

Buckhannon to have access to the water use records of such Tennerton customers, directly from the water utility serving these customers.

10. Buckhannon may bill Tennerton or Tennerton may bill Buckhannon for any services not described by this Agreement which are provided to the other party in accordance with any other mutually agreeable arrangement. These charges include but are not limited to Tennerton's charge to Buckhannon for use of the Liggett Addition interceptor, and Buckhannon's charges to Tennerton for billing services and pump station maintenance services.

11. Tennerton shall provide to Buckhannon copies of "Record" drawings of all sewer extensions.

12. Both parties acknowledge that the WV Public Service Commission is responsible for regulating sewer utilities and that any disputes regarding sewer use, rates, or other matters pertaining to the sewer systems, would ultimately be addressed by that body.

13. Both parties, by their respective signatures below, acknowledge their agreement with the terms and conditions set forth herein. It is further agreed that upon acceptance and execution of this agreement by both parties, that it will be submitted to the WV Public Service Commission for its review and approval, and that the agreement shall become effective upon the date of written approval by the WV Public Service Commission.

WITNESS THE FOLLOWING SIGNITURES

The Sanitary Board of the
City of Buckhannon

Elizabeth J. Loundstone
Its Chairman & Mayor of the
City of Buckhannon

ATTEST

Nancy C. Shobe
Its Recorder

Tennerton Public Service District

John T. McGrew Jr.
Its Chairman

ATTEST

William C. Thurman
Its Secretary

Dan F
end- Dave W

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL and WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WEST VIRGINIA 25301
TELEPHONE 304-558-2981

PERMIT

PROJECT: East Side, Phase 11-A (Sewer) Tennerton Sewer Extension PERMIT NO.: 17,300

LOCATION: Tennerton COUNTY: Upshur DATE: 10-30-2006

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

Tennerton Public Service District
188 Fayette Street
Buckhannon, West Virginia 26201

is hereby granted approval to: install approximately 9,664 LF of 8" and 6,547 LF of 6" sewer line; necessary manholes; approximately 3,387 LF of 4" and 794 LF of 1.5" force main; one (1) 106 G.P.M. duplex submersible sewage pump station; one (1) 12 G.P.M. duplex grinder pump station; two (2) 12 G.P.M. simplex grinder pump stations; and all necessary valves, controls and appurtenances.

Facilities are to serve approximately 130 customers in the Tennerton East Side, Phase 11-A of the Tennerton Public Service District.

Note: This permit is contingent upon maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be over the sewer line.

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

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

FOR THE DIRECTOR

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

RECEIVED
2007 MAY 11 AM 8:49
W.V. PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

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

RESOLUTION OF THE TENNERTON PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO SERVICES FOR THE PROPOSED SEWER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Tennerton Public service District, has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded in part by the United States Department of Agriculture (USDA) and find as follows:

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED Tennerton Public Service District by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	USDA	PSD
Steptoe & Johnson	18,000.00	18,000.00	
Thrasher Engineering	118,600.00	118,600.00	
Thrasher Engineering	1,420.00	1,420.00	
T.R. Ross	20,049.92	20,049.92	
C. Morgan Haymond	14,999.99	14,999.99	
Harris & Company	500.00	500.00	
TOTAL	173,569.91	173,569.91	

ADOPTED BY the Tennerton Public Service District, at the meeting held on the 26th day of March, 2008

Tennerton Public Service District

By: John V. McKenna Jr.

Its: Chairman

USDA Rural Utilities Service

By: [signature]

Date: 4/15/08

893440.00001

CH4855424.1