

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A (1st National Community Bank)

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Resolution
2. Supplemental Resolution
3. Cross-Receipt for Bonds and Bond Proceeds
4. Direction to Authenticate and Deliver Bonds
5. Specimen Bond Series 2010 A Bond

OPINIONS OF COUNSEL

6. Approving Opinion of Bond Counsel
7. Opinion of Counsel to Issuer

CERTIFICATES

8. General Certificate of Issuer
9. Certificate of Certified Public Accountant
10. Certificate as to Arbitrage
11. A. Acceptance of Duties as Registrar
B. Certificate of Registration of Bonds
C. Registrar's Agreement
12. Certificate of Purchaser

DOCUMENTS OF THE ISSUER

13. County Commission Orders on Creation of District
14. County Commission Orders of Appointment of Current Board Members
15. Oaths of Office of Current Board Members

16. Rules of Procedure
17. Minutes of Current Year Organizational Meeting
18. Minutes on Adoption of Bond Resolution
19. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

20. Bank Commitment
21. Bank Investment Letter
22. Prior Resolutions
23. Public Service Commission Orders
24. Project Budget
25. Closing Memorandum
26. Consent of West Virginia Water Development Authority to Issuance of Parity Bonds
27. Project Bids
28. IRS Form 8038-G

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**TOMLINSON PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2010 A**

BOND RESOLUTION

Table of Contents

**ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

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

**ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION
OF THE PROJECT**

Section 2.01	Authorization of Acquisition and Construction of the Project
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**ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND
SALE OF BONDS**

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds not to be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds
Section 3.09	Delivery of Bonds
Section 3.10	Sale of Bonds
Section 3.11	Form of Bonds
	FORM OF BOND

**ARTICLE IV
[RESERVED]**

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
Section 6.02	Disbursements From the Series 2010 A Bond Construction Trust Fund

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds
Section 7.04	Initial Schedule of Rates and Charges
Section 7.05	Sale of the System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	Parity Bonds
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel
Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections
Section 7.14	No Free Services
Section 7.15	Insurance and Construction Bonds
Section 7.16	Connections
Section 7.17	Completion and Operation of Project; Permits and Orders
Section 7.18	Compliance with Law
Section 7.19	Tax Covenants
Section 7.20	Reserved
Section 7.21	Contracts
Section 7.22	Statutory Mortgage Lien

ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	Investments
Section 8.02	Arbitrage and Tax Exemption
Section 8.03	Tax Certificate and Rebate

ARTICLE IX

**ARTICLE IX
DEFAULT AND REMEDIES**

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

**ARTICLE X
PAYMENT OF BONDS**

Section 10.01	Payment of Bonds
---------------	------------------

**ARTICLE XI
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Designation of Series 2010 A Bonds as Qualified Tax-Exempt Obligations
Section 11.03	Bond Legislation Constitutes Contract
Section 11.04	Severability of Invalid Provisions
Section 11.05	Headings, Etc.
Section 11.06	Conflicting Provisions Repealed
Section 11.07	Covenant of Due Procedure, Etc.
Section 11.08	Appointment
Section 11.09	Effective Date
	SIGNATURES
	CERTIFICATION

TOMLINSON PUBLIC SERVICE DISTRICT

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOMLINSON PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOMLINSON PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A; 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; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE BOARD OF THE TOMLINSON PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public waterworks system of the Issuer, consisting of radio read meters, together with all appurtenant facilities (collectively, the "Project"), (the existing public waterworks system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2010 A, in the total aggregate principal amount of not more than \$100,000 (the "Series 2010 A Bonds"), initially to be represented by a single bond, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2010 A Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2010 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; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 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 2010 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Project is not less than 15 years.

E. It is in the best interests of the Issuer that its Series 2010 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to this Bond Legislation.

F. There will be outstanding obligations of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated March 9, 2004, issued in the original aggregate principal amount of \$1,353,815 (the "Series 2004 A Bonds"); and (ii) Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority) dated March 9, 2004, issued in the original aggregate principal amount of \$669,500 (the "Series 2004 B Bonds") (collectively, the "Prior Bonds").

The Series 2010 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 respects. Prior to the issuance of the Series 2010 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2010 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the

System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

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

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition and construction of the Project and the operation of the System and issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of any thereof.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2010 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, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

“Act” means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

“Authorized Officer” means the Chairman of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

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

“Bond Legislation,” “Resolution,” “Bond Resolution” or “Local Act” means this Bond Resolution and all ordinances, 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 2010 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

“Chairman” means the Chairman of the Issuer.

“Closing Date” means the date upon which there is an exchange of the Series 2010 A Bonds for all or a portion of the proceeds of the Series 2010 A Bonds.

“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, 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 1.02C hereof to be a part of the cost of acquisition and construction of the Project.

“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” means the Board of the Issuer, as it may now or hereafter be constituted.

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

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

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

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

“Investment Property” means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

“Issuer” means the Tomlinson Public Service District, a is a public service district and political subdivision of the State of West Virginia, in Hancock County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Net Proceeds” means the face amount of the Series 2010 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2010 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 2010 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

“Operating Expenses” means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality

of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, fees and expenses of the 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 or the registrar for Prior Bonds at or prior to said date; (ii) any Bond for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid in accordance with the resolution authorizing the issuance thereof; and (v) 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 or authority designated as such for the Series 2010 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 2004 A Bonds and Series 2004 B Bonds.

"Prior Resolutions" means, collectively, the resolutions of the Issuer, including all amendments and supplements thereto, authorizing the issuance of the Prior Bonds.

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

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

"Purchaser" means the purchaser or purchasers of the Series 2010 A Bonds directly from the Issuer, designated as such in the Supplemental Resolution and its successors and assigns.

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

- (a) Government Obligations;

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

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

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

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

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

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

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

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

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

“Registrar” means the Bond Registrar.

“Regulations” means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

“Renewal and Replacement Fund” means the Renewal and Replacement Fund created by the Prior Resolutions and continued hereby.

“Reserve Accounts” means, collectively, the respective reserve accounts established for the Series 2010 A Bonds and the Prior Bonds.

“Reserve Requirement” means, collectively, the respective amount required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2010 A Bonds.

“Revenue Fund” means the Revenue Fund created by the Prior Resolutions and continued hereby.

“Secretary” means the Secretary of the Issuer.

“Series 2004 A Bonds” means the Issuer’s Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated March 9, 2004, issued in the original aggregate principal amount of \$1,353,815.

“Series 2004 B Bonds” means the Issuer’s Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority) dated March 9, 2004, issued in the original aggregate principal amount of \$669,500.

“Series 2010 A Bonds” means Water Revenue Bonds, Series 2010 A of the Issuer, authorized by this Bond Legislation.

“Series 2010 A Bonds Construction Trust Fund” means the Series 2010 A Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2010 A Bonds Reserve Account” means the Series 2010 A Bonds Reserve Account established by Section 5.02 hereof.

“Series 2010 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 2010 A Bonds in the then current or any succeeding year.

“Series 2010 A Bonds Sinking Fund” means the Series 2010 A Bonds Sinking Fund established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective sinking funds established for the Series 2010 A Bonds and the Prior Bonds.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Resolution and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2010 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2010 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 obligation of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

“System” means, collectively, the complete existing public water treatment and distribution system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any and all additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

“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 not to exceed \$152,600, 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 2010 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.

The cost of the Project is estimated not to exceed \$152,600, of which \$100,000 will be obtained from proceeds of the Series 2010 A Bonds and an amount not to exceed \$52,600 will be a contribution from the Issuer.

ARTICLE III

**AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND
SALE OF BONDS**

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest, funding a reserve account for the Series 2010 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2010 A Bonds of the Issuer. The Series 2010 A Bonds shall be issued as a single bond, designated "Water Revenue Bond, Series 2010 A", in the principal amount of not more than \$100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 A Bonds remaining after funding of the Series 2010 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2010 A Bonds, if any, shall be deposited in or credited to the Series 2010 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2010 A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Series 2010 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 2010 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Purchaser is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2010 A Bonds shall initially be issued in the form of a single bond, fully registered to the Purchaser, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2010 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2010 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 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 bear interest, if any, as of the date specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2010 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 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 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 2010 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 the authorization 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 2010 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 form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2010 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 2010 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 2010 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 2010 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 2010 A Bonds.

The registered Series 2010 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer

satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2010 A Bonds or transferring the registered Series 2010 A Bonds are exercised, all Series 2010 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2010 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2010 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2010 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 A Bonds or, in the case of any proposed redemption of Series 2010 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 A 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 2010 A Bonds shall not, in any event, be or constitute a corporate 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 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2010 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2010 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2010 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Purchaser, a list of the names in which the Series 2010 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 2010 A Bonds to the Purchaser;
- C. An executed and certified copy of the Bond Legislation; and
- D. The unqualified approving opinion of bond counsel on the Series 2010 A Bonds.

Section 3.10. Sale of Bonds. The Series 2010 A Bonds shall be sold to the Purchaser, pursuant to this Bond Legislation.

Section 3.11. Form of Bonds. The text of the Series 2010 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2010 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOMLINSON PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2010 A

No. AR-1

\$100,000

KNOW ALL MEN BY THESE PRESENTS: This ____ day of _____, 2010, that Tomlinson Public Service District, a is a public service and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of:

1ST NATIONAL COMMUNITY BANK

or registered assigns (the "Registered Owner"), the principal sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A in monthly installments on commencing _____ 1, 2010 to and including _____ 1, 20_____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference at the rates per annum set forth as follows:

A. Interest on this Bond shall be payable at the rate of 5% per annum (hereinafter sometimes called the "Tax-Exempt Rate").

a. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Note shall be payable at the rate Of 7.4% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Note is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Note are paid, notwithstanding that the entire principal amount of this Note may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Note by reason of such increase shall become immediately due and payable.

The principal of and interest on this Note are payable in any coin or currency which on the date of payment thereof 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 as Paying Agent.

This Bond may be redeemed prior to its stated date of maturity in whole with no prepayment penalty.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution duly enacted by the Issuer on _____, 2010, and a Supplemental Resolution duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED MARCH 9, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,353,815 (THE "SERIES 2004 A BONDS"); AND (II) WATER REVENUE BONDS, SERIES 2004 B, (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) DATED MARCH 9, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$669,500 (THE "SERIES 2004 B BONDS") (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 Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2010 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 prior to or on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2010 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 _____1st National Community Bank (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 payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

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

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 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: _____, 2010.

1ST NATIONAL COMMUNITY BANK
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20__.

In the presence of:

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Account (established by the Prior Resolutions);
- (3) Rebate Fund (established by Prior Resolutions); and
- (4) Series 2010 A Bonds Construction Trust Fund.

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

- (1) Series 2004 A Bonds Sinking Fund (established by Prior Resolution);
- (2) Series 2004 A Bonds Reserve Account (established by Prior Resolution);
- (3) Series 2004 B Bonds Sinking Fund (established by Prior Resolution);
- (4) Series 2004 B Bonds Reserve Account (established by Prior Resolution);
- (5) Series 2010 A Bonds Sinking Fund; and
- (6) Series 2010 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 the Prior Resolutions and 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 provided in this Bond Legislation and in the Prior Resolutions. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund to pay 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 (i) to the Commission the amounts required by the Prior Resolutions to pay interest on the Series 2004 B Bonds; and (ii) to the Commission commencing the first date of payment of interest on the Series 2010 A Bonds the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission the amounts required by the Prior Resolutions to pay the principal of the Prior Bonds; and (ii) to the Commission commencing the first date of payment of principal of the Series 2010 A Bonds, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Depository Bank the amount required by the Prior Resolutions for deposit in the respective Reserve Accounts of the Prior Bonds; and (ii) to the Commission for deposit in the Series 2010 A Bonds Reserve Account the amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement until the amount equals the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain deposited therein, an amount equal to the Series 2010 A Bonds Reserve Requirements.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 ½ % of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of

any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2010 A Bonds as the same shall come due and for no other purpose.

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2010 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2010 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2010 A Bonds Reserve Account which result in a reduction in the balance of the Series 2010 A Bonds Reserve Account to below the Series 2010 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 priority as set forth above.

As and when additional Bonds ranking on a parity with the Series 2010 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2010 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2010 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2010 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required reserve account payments with respect to the Series 2010 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

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

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

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

System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2010 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, there shall first be deposited with the Commission in the Series 2010 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 2010 A Bonds for the period commencing on the date of issuance of the Series 2010 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 2010 A Bonds, there shall be deposited with the Commission in the Series 2010 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2010 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2010 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

Section 6.02. Disbursements From the Series 2010 A Bonds Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2010 A Bonds Construction Trust Fund shall be made only after submission to the Purchaser of written approval from the Issuer.

Pending such application, monies in the Series 2010 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 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 2010 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 2010 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2010 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 the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2010 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Commission Order of the Public Service Commission of West Virginia entered November 12, 2009, in Case No. 09-1418-PWD-30B, and such rates are hereby adopted.

So long as the Series 2010 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, fees and charges initially established for the System in connection with the Series 2010 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Resolutions.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in 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 2010 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2010 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2010 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 A Bonds and the interest, if any, 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 Resolutions shall be applicable.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2010 A Bonds.

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

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

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the

provisions contained in this Bond Legislation then Outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has expired prior to the date of issuance of such additional 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 an Independent Certified Public Accountant, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from said Net 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 the revenues of the System is subject to the prior and superior lien of the Series 2010 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2010 A Bonds.

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

of this Bond Legislation.

Any certifications requiring computations establishing that debt service coverage is sufficient to support the issuance of parity Additional Bonds or that requisite debt service savings are available to support the issuance of refunding bonds shall, in all cases, be evidenced by a certificate of an Independent Certified Public Accountant.

No additional bonds, notes, certificates, contracts or any other obligations shall be issued by the Issuer unless no Event of Default shall have occurred and be continuing with respect to the Bonds.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project.

The Issuer 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 Governing Body. 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 also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 A Bonds.

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

Section 7.09.Rates. Prior to the issuance of the Series 2010 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established

will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 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 2010 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 2010 A Bonds Reserve Account and the reserve accounts for obligations on a parity with or junior to the Series 2010 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 2010 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 2010 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year.

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

The Issuer shall provide and maintain competent and adequate engineering services 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.

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such

fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2010 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the prime contractor and all subcontractors as their respective interests may appear, 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 Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100%

of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

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

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project.

Section 7.18. Compliance with Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Act.

The Issuer shall also comply with all applicable laws, rules and regulations issued by the State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System. The Issuer will provide the Purchaser, 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).

Section 7.19. 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 2010 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 2010 A Bonds during the term thereof is, under the terms of the Series 2010 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 2010 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 2010 A Bonds during the term thereof is, under the terms of the Series 2010 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 2010 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 2010 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2010 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2010 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2010 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 2010 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions the result of which would adversely affect such exclusion.

Section 7.20 Reserved

Section 7.21. Contracts. The Issuer shall, simultaneously with the delivery of the Series 2010 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 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 2010 A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if 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 2010 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2010 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 2010 A Bonds which would cause the Series 2010 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2010 A Bonds) so that the interest on the Series 2010 A Bonds will be and remain excludable 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 2010 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2010 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.

The Issuer covenants to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Purchaser, 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 such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Purchaser in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Purchaser at the expense of the Issuer. 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 such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2010 A Bonds from gross income for federal income tax purposes.

The Issuer shall furnish to the Purchaser, 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 Purchaser. In addition, the Issuer shall cooperate with the Purchaser 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 Purchaser at the expense of the Issuer.

The Issuer shall submit to the Purchaser within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto

or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Purchaser a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2010 A Bonds subject to rebate. The Issuer shall also furnish to the Purchaser, at any time, such additional information relating to rebate as may be reasonably requested by the Purchaser including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2010 A 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 2010 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2010 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 2010 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2010 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 Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2010 A Bonds shall be on a parity with 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 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

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2010 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2010 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2010 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 A Bonds, no material modification or amendment of this Resolution, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2010 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein 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 the Series 2010 A 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 2010 A Bonds from gross income of the holders thereof.

Section 11.02. Designation of Series 2010 A Bonds as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Series 2010 A Bonds as "Qualified Tax-Exempt Obligations" for purposes of paragraph (3) of Section 265(b) of the Code and that not more than \$30,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Series 2010 F Bonds, have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2010, all as determined in accordance with the Code. For purposes of this paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefitting thereby shall be treated as one issuer.

Section 11.03. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2010 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 11.04. 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 2010 A Bonds.

Section 11.05. 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 11.06. Conflicting Provisions Repealed. Except for the Prior Resolutions, 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; provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. 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, the Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.08. Appointment. The Issuer does hereby appoint, designate and approve the hiring of Steptoe & Johnson, Clarksburg, West Virginia, as bond counsel to the Issuer in connection with the issuance by the Issuer of the Series 2010 A Bonds.

Section 11.09. Effective Date. This Resolution shall take effect immediately upon adoption.

[Remainder of Page Intentionally Blank]

Adopted this 4th day of August, 2010.



Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Board of the Tomlinson Public Service District on the 4th day of August, 2010.

[SEAL]

David R. Stevens
Secretary

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

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 WATER REVENUE BONDS, SERIES 2010 A OF THE TOMLINSON PUBLIC SERVICE DISTRICT; AND THE SALE AND DELIVERY OF SUCH BONDS TO THE 1ST NATIONAL COMMUNITY BANK; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; GRANTING AUTHORITY TO APPROVE REMAINING DRAWS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the board (the "Governing Body") of the Tomlinson Public Service District (the "Issuer") has duly and officially adopted and enacted a bond resolution, effective August 4, 2010 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOMLINSON PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOMLINSON PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A; 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; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Water Revenue Bonds, Series 2010 A, of the Issuer (the "Bonds" or the "Series 2010 A Bonds"), in an aggregate principal amount not to exceed \$100,000, all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and in the Bond Resolution it is provided that 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, it is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2010 A (the "Bonds") in an aggregate principal amount of not more than \$100,000, to finance the costs of the Project and costs of issuance of the Bonds and related costs;

WHEREAS, the Bonds are proposed to be purchased by 1st National Community Bank, East Liverpool, Ohio (the "Purchaser"); and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, 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 THE TOMLINSON PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2010 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$100,000. The Series 2010 A Bonds shall be dated the date of delivery thereof, shall finally mature August 1, 2025, and shall bear interest at the rate of 5.0% per annum. Monthly principal and interest payments on the Series 2010 A Bonds shall be payable monthly commencing September 1, 2010, to and including August 1, 2025 and in the amounts as set forth in the Exhibit B "Debt Service Schedule" incorporated in and made a part of the Series 2010 A Bonds. The Series 2010 A Bonds may be prepaid in whole on any scheduled payment date no prepayment penalty.

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

Section 3. The Bonds shall be sold to 1st National Community Bank, East Liverpool, Ohio, and shall be registered in the name of such bank. The price of the Bonds shall be 100% of par value, there being no accrued interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, West Virginia, to serve as Paying Agent for the Bonds under the Bond Resolution.

Section 5. The Issuer does hereby appoint and designate the 1st National Community Bank, East Liverpool, Ohio, to serve as Depository Bank for the Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate the The Huntington National Bank, to serve as Registrar for the Bonds under the Bond Resolution.

Section 7. Series 2010 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2010 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2010 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2010 A Bonds Reserve Account.

Section 9. Series 2010 A Bonds proceeds in the amount of \$100,000 shall be deposited in the Series 2010 A Bond Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Chairman and the Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about August 6, 2010, to the Purchaser.

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

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

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 4th day of August, 2010.

TOMLINSON PUBLIC SERVICE DISTRICT

By: John E. Green
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Board of the Tomlinson Public Service District on the 4th day of August, 2010.

[SEAL]

David R Stevens
Secretary

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

The undersigned authorized representative of 1st National Community Bank, East Liverpool, Ohio (the "Purchaser"), and the undersigned Chairman of Tomlinson Public Service District (the "Issuer"), hereby certify this 6th day of August, 2010 as follows:

1. On August 6, 2010, at New Manchester, West Virginia, the Purchaser received the Tomlinson Public Service District Water Revenue Bonds, Series 2010 A, No. AR-1 (the "Bonds"), issued as a single Bond in the principal amount of \$100,000, dated August 6, 2010. 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 Issuer.
3. The Issuer has received and hereby acknowledges receipt from the Purchaser of the sum of \$100,000, being the entire principal amount of the Bonds.
4. 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 respective signatures dated the day and year first written above.

1ST NATIONAL COMMUNITY BANK

By: Stephen R. Sant, PRES/CEO
Its: Authorized Officer

TOMLINSON PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

904560.00001

CH5396449

WITNESS our respective signatures dated the day and year first written above.

1ST NATIONAL COMMUNITY BANK

By: _____
Its: Authorized Officer

TOMLINSON PUBLIC SERVICE DISTRICT

By: John Yocum
Its: Chairman

904560.00001

CH5396449

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

1st National Community Bank
as Registrar
East Liverpool, Ohio

Ladies and Gentlemen:

As of the 6th day of August, 2010, there are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bond No. AR-1, constituting the entire original issue of the Tomlinson Public Service District Water Revenue Bonds, Series 2010, dated August 6, 2010, in the principal amount of 4100,000 (the "Bonds"), executed by the Chairman and the Secretary of Tomlinson Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bonds Resolution adopted by the Issuer on August 4, 2010, and a Supplemental Resolution adopted by the Issuer on August 4, 2010 (collectively, the "Resolution").

2. A copy of the Resolution duly certified by the Secretary.

3. A signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Purchaser.

4. A list of the names in which the Bonds are to be registered upon original issuance, together with taxpayer identification and other information as requested by you.

You are hereby requested and authorized to authenticate, register and deliver the Bonds to 1st National Community Bank, East Liverpool, Ohio, as the Purchaser thereof.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

TOMLINSON PUBLIC SERVICE DISTRICT

By: John Yocum
Its: Chairman

904560.00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOMLINSON PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2010 A
(1ST NATIONAL COMMUNITY BANK)

No. AR-1

\$100,000

KNOW ALL MEN BY THESE PRESENTS: This 6th day of August, 2010, that Tomlinson Public Service District, a is a public service and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of:

1ST NATIONAL COMMUNITY BANK

or registered assigns (the "Registered Owner"), the principal sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A in monthly installments on commencing September 1, 2010 to and including August 1, 2025, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference at the rates per annum set forth as follows:

A. Interest on this Bond shall be payable at the rate of 5% per annum (hereinafter sometimes called the "Tax-Exempt Rate").

a. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Note shall be payable at the rate of 7.4% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Note is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Note are paid, notwithstanding that the entire principal amount of this Note may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Note by reason of such increase shall become immediately due and payable.

The principal of and interest on this Note are payable in any coin or currency which on the date of payment thereof 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 as Paying Agent.

This Bond may be redeemed prior to its stated date of maturity in whole with no prepayment penalty.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution duly enacted by the Issuer On August 4, 2010, and a Supplemental Resolution duly adopted by the Issuer on August 4, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED MARCH 9, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,353,815 (THE "SERIES 2004 A BONDS"); AND (II) WATER REVENUE BONDS, SERIES 2004 B, (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) DATED MARCH 9, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$669,500 (THE "SERIES 2004 B BONDS") (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 Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2010 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 prior to or on a parity with the Bonds,

including the Prior Bonds; provided however, that so long as there exists in the Series 2010 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 1st National Community Bank (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 payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

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

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 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: August 6, 2010

THE HUNTINGTON NATIONAL BANK
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$100,000	August 6, 2010	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of)

ASSIGNMENT

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

Dated: _____, 20__.

In the presence of:

EXHIBIT B
DEBT SERVICE SCHEDULE

AMORTIZATION SCHEDULE

Principal \$100,000.00	Loan Date 08-06-2010	Maturity 08-01-2025	Loan No	Call / Coll	Account	Officer	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: TOMLINSON PUBLIC SERVICE DISTRICT

Lender: 1st NATIONAL COMMUNITY BANK
16924 St Clair Ave
P.O. Box 796
East Liverpool, OH 43920
(330) 385-9200

Disbursement Date: August 6, 2010
Interest Rate: 5.000

Repayment Schedule: Installment
Calculation Method: 365/365 Actuarial

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	09-01-2010	790.46	356.16	434.30	99,565.70
2	10-01-2010	790.46	409.17	381.29	99,184.41
3	11-01-2010	790.46	421.19	369.27	98,815.14
4	12-01-2010	790.46	406.09	384.37	98,430.77
2010 TOTALS:		3,161.84	1,592.61	1,569.23	
5	01-01-2011	790.46	417.99	372.47	98,058.30
6	02-01-2011	790.46	416.41	374.05	97,684.25
7	03-01-2011	790.46	374.68	415.78	97,268.47
8	04-01-2011	790.46	413.06	377.40	96,891.07
9	05-01-2011	790.46	398.18	392.28	96,498.79
10	06-01-2011	790.46	409.79	380.67	96,118.12
11	07-01-2011	790.46	395.01	395.45	95,722.67
12	08-01-2011	790.46	406.49	383.97	95,338.70
13	09-01-2011	790.46	404.86	385.60	94,953.10
14	10-01-2011	790.46	390.22	400.24	94,552.86
15	11-01-2011	790.46	401.53	388.93	94,163.93
16	12-01-2011	790.46	386.98	403.48	93,760.45
2011 TOTALS:		9,485.52	4,815.20	4,670.32	
17	01-01-2012	790.46	398.16	392.30	93,368.15
18	02-01-2012	790.46	396.49	393.97	92,974.18
19	03-01-2012	790.46	369.35	421.11	92,553.07
20	04-01-2012	790.46	393.03	397.43	92,155.64
21	05-01-2012	790.46	378.72	411.74	91,743.90
22	06-01-2012	790.46	389.60	400.86	91,343.04
23	07-01-2012	790.46	375.38	415.08	90,927.96
24	08-01-2012	790.46	386.13	404.33	90,523.63
25	09-01-2012	790.46	384.42	406.04	90,117.59
26	10-01-2012	790.46	370.35	420.11	89,697.48
27	11-01-2012	790.46	380.91	409.55	89,287.93
28	12-01-2012	790.46	366.94	423.52	88,864.41
2012 TOTALS:		9,485.52	4,589.48	4,896.04	
29	01-01-2013	790.46	377.37	413.09	88,451.32
30	02-01-2013	790.46	375.62	414.84	88,036.48
31	03-01-2013	790.46	337.67	452.79	87,583.69
32	04-01-2013	790.46	371.93	418.53	87,165.16
33	05-01-2013	790.46	358.21	432.25	86,732.91
34	06-01-2013	790.46	368.32	422.14	86,310.77
35	07-01-2013	790.46	354.70	435.76	85,875.01
36	08-01-2013	790.46	364.67	425.79	85,449.22
37	09-01-2013	790.46	362.87	427.59	85,021.63
38	10-01-2013	790.46	349.40	441.06	84,580.57
39	11-01-2013	790.46	359.18	431.28	84,149.29
40	12-01-2013	790.46	345.82	444.64	83,704.65
2013 TOTALS:		9,485.52	4,325.76	5,159.76	
41	01-01-2014	790.46	355.46	435.00	83,269.65
42	02-01-2014	790.46	353.61	436.85	82,832.80
43	03-01-2014	790.46	317.71	472.75	82,360.05
44	04-01-2014	790.46	349.75	440.71	81,919.34
45	05-01-2014	790.46	336.65	453.81	81,465.53
46	06-01-2014	790.46	345.95	444.51	81,021.02
47	07-01-2014	790.46	332.96	457.50	80,563.52
48	08-01-2014	790.46	342.12	448.34	80,115.18
49	09-01-2014	790.46	340.22	450.24	79,664.94
50	10-01-2014	790.46	327.39	463.07	79,201.87
51	11-01-2014	790.46	336.34	454.12	78,747.75

**AMORTIZATION SCHEDULE
(Continued)**

52	12-01-2014	790.46	323.62	466.84	78,280.91
2014 TOTALS:		9,485.52	4,061.78	5,423.74	
53	01-01-2015	790.46	332.43	458.03	77,822.88
54	02-01-2015	790.46	330.48	459.98	77,362.90
55	03-01-2015	790.46	296.73	493.73	76,869.17
56	04-01-2015	790.46	326.43	464.03	76,405.14
57	05-01-2015	790.46	313.99	476.47	75,928.67
58	06-01-2015	790.46	322.44	468.02	75,460.65
59	07-01-2015	790.46	310.11	480.35	74,980.30
60	08-01-2015	790.46	318.41	472.05	74,508.25
61	09-01-2015	790.46	316.40	474.06	74,034.19
62	10-01-2015	790.46	304.25	486.21	73,547.98
63	11-01-2015	790.46	312.33	478.13	73,069.85
64	12-01-2015	790.46	300.29	490.17	72,579.68
2015 TOTALS:		9,485.52	3,784.29	5,701.23	
65	01-01-2016	790.46	308.22	482.24	72,097.44
66	02-01-2016	790.46	306.17	484.29	71,613.15
67	03-01-2016	790.46	284.49	505.97	71,107.18
68	04-01-2016	790.46	301.96	488.50	70,618.68
69	05-01-2016	790.46	290.21	500.25	70,118.43
70	06-01-2016	790.46	297.76	492.70	69,625.73
71	07-01-2016	790.46	286.13	504.33	69,121.40
72	08-01-2016	790.46	293.53	496.93	68,624.47
73	09-01-2016	790.46	291.42	499.04	68,125.43
74	10-01-2016	790.46	279.97	510.49	67,614.94
75	11-01-2016	790.46	287.13	503.33	67,111.61
76	12-01-2016	790.46	275.80	514.66	66,596.95
2016 TOTALS:		9,485.52	3,502.79	5,982.73	
77	01-01-2017	790.46	282.81	507.65	66,089.30
78	02-01-2017	790.46	280.65	509.81	65,579.49
79	03-01-2017	790.46	251.54	538.92	65,040.57
80	04-01-2017	790.46	276.20	514.26	64,526.31
81	05-01-2017	790.46	265.18	525.28	64,001.03
82	06-01-2017	790.46	271.79	518.67	63,482.36
83	07-01-2017	790.46	260.89	529.57	62,952.79
84	08-01-2017	790.46	267.33	523.13	62,429.66
85	09-01-2017	790.46	265.11	525.35	61,904.31
86	10-01-2017	790.46	254.40	536.06	61,368.25
87	11-01-2017	790.46	260.60	529.86	60,838.39
88	12-01-2017	790.46	250.02	540.44	60,297.95
2017 TOTALS:		9,485.52	3,186.52	6,299.00	
89	01-01-2018	790.46	256.06	534.40	59,763.55
90	02-01-2018	790.46	253.79	536.67	59,226.88
91	03-01-2018	790.46	227.17	563.29	58,663.59
92	04-01-2018	790.46	249.12	541.34	58,122.25
93	05-01-2018	790.46	238.86	551.60	57,570.65
94	06-01-2018	790.46	244.48	545.98	57,024.67
95	07-01-2018	790.46	234.35	556.11	56,468.56
96	08-01-2018	790.46	239.80	550.66	55,917.90
97	09-01-2018	790.46	237.46	553.00	55,364.90
98	10-01-2018	790.46	227.53	562.93	54,801.97
99	11-01-2018	790.46	232.72	557.74	54,244.23
100	12-01-2018	790.46	222.92	567.54	53,676.69
2018 TOTALS:		9,485.52	2,864.26	6,621.26	
101	01-01-2019	790.46	227.94	562.52	53,114.17
102	02-01-2019	790.46	225.55	564.91	52,549.26
103	03-01-2019	790.46	201.56	588.90	51,960.36
104	04-01-2019	790.46	220.65	569.81	51,390.55
105	05-01-2019	790.46	211.19	579.27	50,811.28
106	06-01-2019	790.46	215.77	574.69	50,236.59
107	07-01-2019	790.46	206.45	584.01	49,652.58
108	08-01-2019	790.46	210.85	579.61	49,072.97
109	09-01-2019	790.46	208.39	582.07	48,490.90
110	10-01-2019	790.46	199.28	591.18	47,899.72
111	11-01-2019	790.46	203.41	587.05	47,312.67
112	12-01-2019	790.46	194.44	596.02	46,716.65
2019 TOTALS:		9,485.52	2,525.48	6,960.04	
113	01-01-2020	790.46	198.39	592.07	46,124.58
114	02-01-2020	790.46	195.87	594.59	45,529.99

**AMORTIZATION SCHEDULE
(Continued)**

115	03-01-2020	790.46	180.87	609.59	44,920.40
116	04-01-2020	790.46	190.76	599.70	44,320.70
117	05-01-2020	790.46	182.14	608.32	43,712.38
118	06-01-2020	790.46	185.63	604.83	43,107.55
119	07-01-2020	790.46	177.15	613.31	42,494.24
120	08-01-2020	790.46	180.45	610.01	41,884.23
121	09-01-2020	790.46	177.86	612.60	41,271.63
122	10-01-2020	790.46	169.61	620.85	40,650.78
123	11-01-2020	790.46	172.63	617.83	40,032.95
124	12-01-2020	790.46	164.52	625.94	39,407.01
2020 TOTALS:		9,485.52	2,175.88	7,309.64	
125	01-01-2021	790.46	167.34	623.12	38,783.89
126	02-01-2021	790.46	164.70	625.76	38,158.13
127	03-01-2021	790.46	146.36	644.10	37,514.03
128	04-01-2021	790.46	159.31	631.15	36,882.88
129	05-01-2021	790.46	151.57	638.89	36,243.99
130	06-01-2021	790.46	153.91	636.55	35,607.44
131	07-01-2021	790.46	146.33	644.13	34,963.31
132	08-01-2021	790.46	148.47	641.99	34,321.32
133	09-01-2021	790.46	145.75	644.71	33,676.61
134	10-01-2021	790.46	138.40	652.06	33,024.55
135	11-01-2021	790.46	140.24	650.22	32,374.33
136	12-01-2021	790.46	133.05	657.41	31,716.92
2021 TOTALS:		9,485.52	1,795.43	7,690.09	
137	01-01-2022	790.46	134.69	655.77	31,061.15
138	02-01-2022	790.46	131.90	658.56	30,402.59
139	03-01-2022	790.46	116.61	673.85	29,728.74
140	04-01-2022	790.46	126.25	664.21	29,064.53
141	05-01-2022	790.46	119.44	671.02	28,393.51
142	06-01-2022	790.46	120.58	669.88	27,723.63
143	07-01-2022	790.46	113.93	676.53	27,047.10
144	08-01-2022	790.46	114.86	675.60	26,371.50
145	09-01-2022	790.46	111.99	678.47	25,693.03
146	10-01-2022	790.46	105.59	684.87	25,008.16
147	11-01-2022	790.46	106.20	684.26	24,323.90
148	12-01-2022	790.46	99.96	690.50	23,633.40
2022 TOTALS:		9,485.52	1,402.00	8,083.52	
149	01-01-2023	790.46	100.36	690.10	22,943.30
150	02-01-2023	790.46	97.43	693.03	22,250.27
151	03-01-2023	790.46	85.34	705.12	21,545.15
152	04-01-2023	790.46	91.49	698.97	20,846.18
153	05-01-2023	790.46	85.67	704.79	20,141.39
154	06-01-2023	790.46	85.53	704.93	19,436.46
155	07-01-2023	790.46	79.88	710.58	18,725.88
156	08-01-2023	790.46	79.52	710.94	18,014.94
157	09-01-2023	790.46	76.50	713.96	17,300.98
158	10-01-2023	790.46	71.10	719.36	16,581.62
159	11-01-2023	790.46	70.42	720.04	15,861.58
160	12-01-2023	790.46	65.18	725.28	15,136.30
2023 TOTALS:		9,485.52	988.42	8,497.10	
161	01-01-2024	790.46	64.28	726.18	14,410.12
162	02-01-2024	790.46	61.19	729.27	13,680.85
163	03-01-2024	790.46	54.35	736.11	12,944.74
164	04-01-2024	790.46	54.97	735.49	12,209.25
165	05-01-2024	790.46	50.18	740.28	11,468.97
166	06-01-2024	790.46	48.70	741.76	10,727.21
167	07-01-2024	790.46	44.08	746.38	9,980.83
168	08-01-2024	790.46	42.38	748.08	9,232.75
169	09-01-2024	790.46	39.21	751.25	8,481.50
170	10-01-2024	790.46	34.86	755.60	7,725.90
171	11-01-2024	790.46	32.81	757.65	6,968.25
172	12-01-2024	790.46	28.64	761.82	6,206.43
2024 TOTALS:		9,485.52	555.65	8,929.87	
173	01-01-2025	790.46	26.36	764.10	5,442.33
174	02-01-2025	790.46	23.11	767.35	4,674.98
175	03-01-2025	790.46	17.93	772.53	3,902.45
176	04-01-2025	790.46	16.57	773.89	3,128.56
177	05-01-2025	790.46	12.86	777.60	2,350.96
178	06-01-2025	790.46	9.98	780.48	1,570.48
179	07-01-2025	790.46	6.45	784.01	786.47
180	08-01-2025	790.46	3.99	786.47	0.00

AMORTIZATION SCHEDULE
(Continued)

2025 TOTALS:	6,323.68	117.25	6,206.43
TOTALS:	142,282.80	42,282.80	100,000.00

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.



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Writer's Contact Information

August 6, 2010

Tomlinson Public Service District
Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

Tomlinson Public Service District
New Manchester, West Virginia

1st National Community Bank
East Liverpool, Ohio

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Tomlinson Public Service District (the "Issuer"), a political subdivision organized and existing under the laws of the State of West Virginia, of its \$100,000 Water Revenue Bonds, Series 2010 A, dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of the Bonds, which are to be purchased by 1st National Community Bank (the "Purchaser"). The Bonds are originally issued in the form of one Bond, registered as to interest and principal to the Purchaser. The Bonds shall be dated August 6, 2010, and shall finally mature August 1, 2025 and shall bear interest at the rate of 5% per annum. Principal and interest payments shall be payable monthly commencing September 1, 2010 to and including August 1, 2025.

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

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on August 4, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 4, 2010 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued. The Bonds are subject to redemption prior to maturity under the conditions and subject to the limitations set forth in the Bond Legislation. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation when used herein. Based upon the foregoing, and upon our examination of such other documents as we have deemed necessary, we are of the opinion, under existing law, as follows:

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

2. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

3. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Purchaser and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated March 9, 2004, issued in the original aggregate principal amount of \$1,353,815 (the "Series 2004 A Bonds"); and (ii) Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority) dated March 9, 2004, issued in the original aggregate principal amount of \$669,500 (the "Series 2004 B Bonds") (collectively, the "Prior Bonds").

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code") and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. The interest on the Bonds is not included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution, and in certain certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds except as expressly set forth in paragraph 6.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2010. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors'

rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,



STEPH & JOHNSON PLLC

904560.00001

August 6, 2010

Tomlinson Public Service District
Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

Tomlinson Public Service District
New Manchester, West Virginia

1st National Community Bank
East Liverpool, Ohio

Ladies and Gentlemen:

We are counsel to Tomlinson Public Service District in Hancock County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a Bond Resolution duly adopted by the Issuer on July 28, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on July 28, 2010, (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The 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 Bond Legislation 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 Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from The County Commission of Hancock County, and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received the Commission Order entered November 12, 2009 in Case No. 09-1418-PWD-30B of the Public Service Commission of West Virginia among other things, approving the rates for the System. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. The Issuer has received the Recommended Decision entered June 25, 2010 in Case No. 10-0060-PWD-PC which became Final Order on July 10, 2010, among other things, granting to the Issuer approval for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Orders remain in full force and effect.

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

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

Very truly yours,


STEPTOE & JOHNSON PLLC

904560.00005

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

GENERAL CERTIFICATE OF ISSUER:

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

We, the undersigned CHAIRMAN and SECRETARY of the Tomlinson Public Service District in Hancock County, West Virginia (the "Issuer"), on this the 6th day of August, 2010, hereby certify in connection with the Issuer's Water Revenue Bonds, Series 2010 A, dated the date hereof (the "Bonds" or the "Series 2010 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted August 4, 2010, and the Supplemental Resolution duly adopted August 4, 2010, (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Net Revenues or any grants, or in any way contesting or

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

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect.

4. INDEBTEDNESS: There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated March 9, 2004, issued in the original aggregate principal amount of \$1,353,815 (the "Series 2004 A Bonds"); and (ii) Water Revenue Bonds, Series 2004 B (West Virginia Infrastructure Fund) dated March 9, 2004, issued in the original aggregate principal amount of \$669,500 (the "Series 2004 B Bonds") (collectively, the "Prior Bonds").

The Series 2010 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. Prior to the issuance of the Series 2010 A Bonds, the Issuer will, to the extent required by the Prior Resolutions, obtain the written consent of the Holders of the Prior Bonds to the issuance of the Series 2010 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and Prior Resolutions.

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

Bond Resolution

Supplemental Resolution

Public Service Commission Orders

County Commission Orders creating District

County Commission orders of Appointment of Current Board Members

Oaths of Office of Current Board Members

Rules of Procedure

Minutes on Adoption and Enactment of Bond Resolution and Adoption of Supplemental Resolution

Prior Bond Resolutions

Consent of West Virginia Water Development Authority

Closing Memorandum

IRS Form 8038- G

6. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Tomlinson Public Service District" and its principal office and place of business are in Hancock 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:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Robert Koper	July 1, 2006	June 30, 2012
John Yocina	November 1, 2009	June 30, 2015
Thomas Salvati	December 17, 2009	June 30, 2010

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2010 are as follows:

Chairman - John Yocina
 Secretary - David Stevens

The duly appointed and acting Attorney for the Issuer is Steptoe & Johnson PLLC, Charleston, West Virginia.

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

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

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

10. RATES: . The Issuer has received the Commission Order entered November 12, 2009 in Case No. 09-1418-PWD-30B of the Public Service Commission of West Virginia among other things, approving the rates for the System. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order remains in full force and effect.

11. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision entered June 25, 2010 in Case No. 10-0060-PWD-PC which became Final Order on July 10, 2010, among other things, granting to the Issuer approval for the Project and approving the financing for the Project. The time for appeal of such Order has expired prior to the date hereof without any appeal. Such Order remains in full force and effect.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting

upon original issuance of a single Bond, dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Purchaser as the original purchaser of the Bonds. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received \$100,000 from the Purchaser, being the entire principal amount of the Bonds.

14. 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 official West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed (as applicable), qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

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

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

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

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

John Goena

Chairman

David R Stevens

Secretary

904560.00001

Teed & Associates, PLLC

Certified Public Accountants

Established 1992

Member, American Institute of Certified Public Accountants
Member, West Virginia Society of Certified Public Accountants
Member, Tennessee Society of Certified Public Accountants

July 26, 2010

Tomlinson Public Service District
Water Revenue Bonds, Series 2010 A
(First National Community Bank)

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Tomlinson Public Service District
New Manchester, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia dated November 12, 2009 in Case No. 09-1418-PWD-30B, and projected operating expenses and anticipated customer usage as furnished to us by Tomlinson Public Service District, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of Tomlinson Public Service District (the "Issuer"), will provide for all Operating Expenses of the System and will 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 Water Revenue Bonds, Series 2010 A issued in the original aggregate principal amount of \$100,000 (the "Series 2010 A Bonds") and all other obligations secured by or payable from such revenues, including the Issuer's: (i) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated March 9, 2004, issued in the original aggregate principal amount of \$1,353,815 (the "Series 2004 A Bonds"); and (ii) Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority) dated March 9, 2004, issued in the original aggregate principal amount of \$669,500 (the "Series 2004 B Bonds") (collectively, the "Prior Bonds").

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2010 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2010 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2010 A Bonds.

Very truly yours,

Teed & Associates, PLLC

TEED & ASSOCIATES, PLLC

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

CERTIFICATE AS TO ARBITRAGE

On this 6th day of August, 2010, the undersigned Chairman and Secretary of the Tomlinson Public Service District (the "Issuer"), being the official of the Issuer charged with the responsibility for issuing the above-referenced bonds (the "Bonds") of the Issuer, and acting for the Issuer and in its name, hereby certifies as follows with regard to the Bonds and use of the proceeds thereof, all capitalized terms used herein and not otherwise defined herein to have the same meanings set forth in the Bond Resolution duly adopted by the Issuer on August 4, 2010 as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 4, 2010 (collectively, the "Resolution"):

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or any predecessor thereto (collectively, the "Code"). We are officers of the Issuer duly charged with the responsibility of issuing the Bonds. We are familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer.

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

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its obligations or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 6, 2010, the date on which the Bonds are to be physically delivered in exchange for more than a de minimus amount of the principal of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Resolution pursuant to which the Bonds are issued, the Issuer has covenanted to not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted to not

intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Resolution, has further covenanted that it will take all actions that may be required of it so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

The Bonds were sold on August 6, 2010, to 1st National Community Bank, East Liverpool, Ohio (the "Purchaser"), for a purchase price of \$100,000, being the par value thereof, there being no interest accrued thereon.

6. The principal of the Bonds in the amount of \$100,000 will be paid to the Issuer on the Closing Date, for the purposes of (i) paying a portion of the costs of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) paying costs of issuance and related costs thereof.

7. All proceeds from the sale of the Bonds, together with any investment earnings thereon, if any, will be expended for payment of such costs of the Project on or before June 30, 2011.

8. Sources and uses of the proceeds of the Bonds are as follows:

SOURCES

Gross Proceeds of the Bonds	\$100,000
Issuer Contribution	52,600
Total Sources	<u>\$152,600</u>

USES

Project Costs	\$149,100
Costs of Issuance	3,500
Total Uses	<u>\$152,600</u>

The costs of paying the costs of the Project and the costs of issuance of the Bonds is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds, no other funds of the Issuer will be available to meet such costs, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the betterments and improvements for the System, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that

governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

9. Pursuant to Article IV of the Bond Resolution, the following special funds have been created or continued:

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Account (established by the Prior Resolutions);
- (3) Rebate Fund (established by Prior Resolutions);
- (4) Series 2010 A Bonds Sinking Fund;
- (5) Series 2010 A Bonds Reserve Account; and
- (6) Series 2010 A Bonds Construction Fund.

10. Pursuant to Article IV of the Bond Resolution, the proceeds of the Bonds will be deposited in the Series 2010 A Bonds Construction Fund and applied solely to payment of the Project, including costs of issuance of the Bonds and related costs. The Issuer reasonably expects that (i) it will incur a binding obligation to a third party to expend at least 5% of the net sale proceeds of the Bonds within 6 months following the date of issuance of the Bonds, (ii) completion of the betterments and improvements will proceed with due diligence, and (iii) it will expend at least 85% of the net sales proceeds for such costs within 3 years of the date of issuance of the Bonds.

Amounts in the Series 2010 A Bonds Construction Fund, if invested, will be invested without yield limitation for a period necessary to pay operating and other expenses of the System, not to exceed 3 years, except as otherwise set forth herein. All of such monies are necessary for such purpose.

Except for “preliminary expenditures” as defined in Treas. Reg. §1.150-2(f)(2), none of the proceeds of the Bonds will be used to reimburse the Issuer for costs of operating and other expenses of the System previously incurred and paid by the Issuer with its own or other funds.

11. Monies held in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account will be used solely to pay the principal of and interest on the Bonds and will not be available to meet costs of operating and other expenses of the System. Proceeds of the Bonds will be deposited in the 2010 A Bonds Reserve Account in an aggregate amount equal to the least of (i) 10% of the original principal amount of the Bonds, (ii) maximum annual principal and interest requirements on the issue at the time of original issuance of the Bonds, or (iii) 125% of average annual principal and interest

requirements on the issue at the time of original issuance of the Bonds (the "Reasonable Reserve Account Requirement"). The monies in amounts equal to or less than the Reasonable Reserve Account Requirement deposited in the Series 2010 A Bonds Reserve Account will be invested without restriction as to yield. Additional monies, from sources other than the proceeds of the Bonds, may also be deposited, as a lump sum or from time to time, in the Series 2010 A Bonds Reserve Account to satisfy the Purchaser's debt service reserve requirements. Such additional monies in amounts exceeding the Reasonable Reserve Account Requirement deposited in the Series 2010 A Bonds Reserve Account will be invested with restriction to yield. All earnings on all amounts deposited in the Series 2010 A Bonds Reserve Account will, to the extent the yield thereon exceeds the yield on the Bonds, be subject to rebate.

12. Except for the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay the principal and interest on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties.

13. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

14. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Purchaser.

15. All proceeds of the Bonds will be expended on payment of such costs of the Project and costs of issuance within 12 months from the date of issuance thereof.

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

17. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

18. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by any person who is not a governmental unit. Less than 5% of the proceeds of the Bonds have been or will be used to make or finance loans to any person who is not a governmental unit. The covenants of the Issuer set forth above shall not, in any way, limit or restrict the ability of the Issuer to pay the costs of design and other preliminary costs of the Project, specifically including, but not limited to, engineering fees, from the proceeds of the Bonds.

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

20. The Issuer shall use the Bonds proceeds solely for such authorized costs of Project and costs of issuance and the System is and will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. 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 treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

22. The Bonds are not and will not be, in whole or in part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

23. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

24. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

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

26. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

27. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

28. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service.

29. On the basis of the foregoing, it is not expected that the proceeds of any of the Bonds will be used in a manner that would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

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

31. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

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

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WITNESS my signature, dated as of the day and year first written above.

TOMLINSON PUBLIC SERVICE DISTRICT


Chairman

904560.00001

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Tomlinson Public Service District Water Revenue Bonds, Series 2010 A, dated August 6, 2010, issued in the principal amount of \$100,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 6th day of August, 2010.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Tomlinson Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2010 A, of the Issuer, dated August 6, 2010, in the principal amount of \$100,000, numbered AR-1, was registered as to principal only in the name of "1st National Community Bank" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 6th day of August, 2010.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

904560.00005

CH5341480.1

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 6th day of August, 2010, by and between TOMLINSON PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$100,000 Water Revenue Bonds, Series 2010 A, in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted August 4, 2010, and the Supplemental Resolution of the Issuer duly adopted August 4, 2010 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Tomlinson Public Service District
Box 113
New Manchester, West Virginia 26062
Attn: Chairman

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

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

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first written about.

TOMLINSON PUBLIC SERVICE
DISTRICT

By: John Yocum
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

904560.00005

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first written about.

TOMLINSON PUBLIC SERVICE
DISTRICT

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By:  _____
Its: Authorized Officer

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds Series 2010 A
(1st National Community Bank)

CERTIFICATE OF PURCHASER

1st National Community Bank, East Liverpool, Ohio (the "Purchaser"), as original purchaser from Tomlinson Public Service District (the "Issuer") of the above-captioned Bonds (the "Bonds"), hereby certifies this 6th day of August, 2010, that:

1. We are purchasing the Bonds for our own portfolio and none of the Bonds have been the subject of an initial offering to the public. We do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

2. The weighted average maturity of the Bonds is 8.45 years.

3. The interest rate on the Bonds is at the rate of 5.0% per annum.

4. This certificate may be relied upon by the Issuer with respect to its Certificate as to Arbitrage relating to the Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Bonds.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, 1ST NATIONAL COMMUNITY BANK, has caused this Certificate to be executed by its duly authorized officer, as of the day and year first written above.

1ST NATIONAL COMMUNITY BANK

By: Stephen R. Sant PRES/CEO
Its: Authorized Officer

904560.00001

BE IT REMEMBERED, that heretofore, to-wit, at a regular meeting of said County Court, held at the Courthouse of said County on the 4th day of September, 1962, among others, the following proceedings were had, to-wit:

ORDER PROPOSING ESTABLISHMENT OF PUBLIC SERVICE DISTRICT IN PUCHTOWN AREA, OLD DISTRICT, HANCOCK COUNTY, WEST VIRGINIA

Pursuant to an order entered by this Court on the 7th day of August, 1962, and also pursuant to a notice published by the Clerk of the County Court of Hancock County in accordance with an order entered on the 7th day of August, 1962, several property owners from the Puchtown area appeared before the County Court in person and by their attorney, Miss Callie Tsapis;

Whereupon the County Court upon consideration of all the facts herein, and there being no objection thereto, and after asking whether anyone present was there for the purpose of objecting and receiving no answer, doth adjudge and order the following:

That the construction and operation of a water and/or sewer system in the area as described below will be conducive to the preservation of public health, comfort and convenience of said area, and that said services are necessary for the health and wellbeing of the persons residing therein. Said area is described as follows:

Begin at a point on the center line of West Virginia State Route No. 2, corner with the western line of the State Road Commission maintenance waste property, thence south 300 feet with said line, then to the center line with Pearson; thence easterly in a line parallel with said highway approximately 350 feet to a point at the easterly end of the line of Kinsey (formerly Gray); thence with said line with Kinsey in a southerly direction to a point with the same corners with Phillips (formerly Howell); thence easterly to a point on an unimproved road leading to Harding's home; thence with the center line of said road to a point where a line parallel and 200 feet south of Ohio Street in Puchtown intersects said road; thence easterly with said line and continuing parallel to the Ohio Street and the Hampton Springs Road at a distance of 200 feet from the center thereof to a point behind and east of the J. J. Harlow dwellings; thence at right angle 100 feet to a point; thence in a southerly and easterly direction with the road on a line 200 feet north of the center thereof toward Puchtown to a point where a line parallel with and 200 feet east of High Street intersects; thence with said line northwardly in a straight line to a point where the same intersects the southern line of Tomlinson Run State Park; from said point thence westwardly to a point on the Puchtown-Wellsville Road 400 feet northwardly on a right angle from Va. Route No. 2; thence south 100 feet to a point being 300 feet from the center line of State route 2; continuing thence westwardly on a line 300 feet north and parallel with said highway 3600 feet more or less to a point on lands of Edith Evans; thence by 90 degree angle to the south 300 feet to the center line of West Virginia State route No. 2 and the place of beginning.

Page 466

THEREFORE, the County Court does hereby declare the above described area as a public service district with all the rights and authorities granted to the same by the laws of West Virginia.

ENTER:

W. B. Harrison
President of the County Court

NOTICE

To all Residents and/or Property Owners in and near the area of Pughtown, Hancock County, West Virginia:

On Tuesday, September 4, 1962, at 10:00 o'clock Daylight Savings Time, at the Courthouse in New Cumberland, West Virginia, a hearing will be held before the Hancock County Court on the creation of a proposed Public Service District for water and/or sewer service, which District is more particularly described as follows:

Beginning at a point in the center line of West Virginia State Route No. 2, corner with the westerly line of the State Road Commission maintenance garage property, thence south 300 feet with said line, being the common line with nearby fence easterly in a line parallel with said highway approximately 3300 feet to a point at the easterly property line of Kinsey (formerly Kern); thence with said line of Kinsey in a southerly direction to a point where the same corners with Phillips (formerly Howell); thence eastwardly to a corner on an unpaved road leading to Jordan's Inn; thence with the center line of said road to a point where a line parallel and 200 feet south of Ohio Street in Pughtown intersects said road; thence eastwardly with said line and continuing parallel to the Ohio Street and the Magnolia Springs road at a distance of 200 feet from the center thereof to a point beyond and east of the J. H. Mahan dwelling; thence eastwardly and 100 feet to a point; thence in a southerly and westerly direct on with the road one mile 200 feet north of the center line of Pughtown town road south where a line parallel with said road 200 feet east of Birch Street intersects; thence with said line northwardly in a straight line to a point where the same intersects the southern line of Lovelinson Run State Park; from said point thence westwardly to a point on the Pughtown-Elisville road 100 feet northwardly on a straight angle from said road; thence south 300 feet to a point being 300 feet from the center line of State Route 2, continuing thence westwardly on a line 30 feet north and parallel with said highway 300 feet more or less to a point on lands of South West; thence by 90 degree angle to the south 300 feet to the center line of West Virginia State Route 2 and the place of beginning.

Any objections you may have to the proposed creation of the creation of said Public Service District.

Hancock County Court
W. C. Graham
President

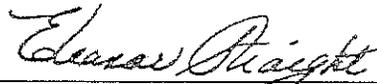
State of West Virginia,
County of Hancock

I, ELEANOR STRAIGHT, Clerk of the County Commission of Hancock County, having the custody of the Files, Journals and Records of said Commission, do hereby certify that the foregoing is a true and accurate copy of:

Change of name of Pughtown Public Service District to Tomlinson Public Service District.

as the same appears of record in my office, in County Commission Book No. 9
Page 144, and I further certify that the same is a full and correct transcript thereof.

In Witness Whereof, I have set my hand and affixed the seal of said commission at New Cumberland, Hancock County, West Virginia, this 23rd day of February 2004.



Eleanor Straight, County Clerk,
Hancock County, West Virginia

CHANGE OF NAME OF
PUGHTOWN PUBLIC SERVICE DISTRICT
TO TOMLINSON PUBLIC SERVICE DISTRICT

Upon motion of Edwin F. Flowers, seconded by Oliver Glass, and carried by the unanimous affirmative vote of the Board of Commissioners, to-wit, Mr. James Vall, Mr. Oliver Glass and Mr. Edwin F. Flowers, it is

Resolved, That, pursuant to the authority granted the Board by Section 4, Article 13A, Chapter 16, of the West Virginia Code of 1961, (serial section 1409 (38a)), no bonds having been issued heretofore, the name of the Pughtown Public Service District is hereby changed to Tomlinson Public Service District, this change to be effective upon filing an authenticated copy of this resolution with the County Clerk of Hancock County as provided by law.

Oliver Glass
Oliver Glass, Chairman

Attest:

Edwin F. Flowers
Edwin F. Flowers, Board Member
Acting Secretary

STATE OF WEST VIRGINIA
COUNTY OF HANCOCK, to-wit:

I, Callie Tsapis, a notary public in and for said county and state aforesaid, do certify that Oliver Glass, Chairman, and Edwin F. Flowers, Acting Secretary, who signed the writing above, bearing the date of this _____ day of _____, 1965, for the Pughtown Public Service District, have this day acknowledged the said writing to be the act and deed of the said Pughtown Public Service District.

Given under my hand this 6th day of April, 1965.

7340

Callie Tsapis
Notary Public

My commission expires April 3, 1968.

State of West Virginia, County of Hancock, to-wit:

I, George Konchar, Clerk of the County Court of the County aforesaid, do hereby certify that the foregoing writing dated _____ and together with the certificate of acknowledgment thereto, was presented for and by me duly admitted to record April 9, 1965 at 11:17 A.M.

George Konchar
George Konchar, County Clerk

State of West Virginia,
County of Hancock

I, ELEANOR STRAIGHT, Clerk of the County Commission of Hancock County, having the custody of the Files, Journals and Records of said Commission, do hereby certify that the foregoing is a true and accurate copy of:

Notice of Creation of a proposed Public Service District for water and/or sewage service.

as the same appears of record in my office, in County Commission Book No. 8
Page 463, and I further certify that the same is a full and correct transcript thereof.

In Witness Whereof, I have set my hand and affixed the seal of said commission at New Cumberland, Hancock County, West Virginia, this 23rd day of February, 2004.



Eleanor Straight, County Clerk
Hancock County, West Virginia

Approved by the Commission on July 6, 2006

235

Notification funds in the amount of \$34,248.00 for officer salaries to continue a multi-jurisdictional drug and violent crime control task force

On a motion by Commissioner Greathouse to make this a matter of record, the commission moved to approve

Locust Hill Cemetery Association Board -- Requesting the Commission fund all or a portion of \$2,300.00 to provide electrical service to their new garage

On a motion by Commissioner Greathouse to table the matter, the commission moved to approve

Mark Vignovic, Chairman Hancock County Solid Waste Authority -- Advising the Commission of the cost and materials picked up at the Spring Clean Up and providing a history of the clean up since fall 1991

On a motion by Commissioner Greathouse to make this a matter of record, the commission moved to approve

Chad A. Lamp, President New Manchester Volunteer Fire Dept. -- Due to the purchase of property by the department on both sides of Wall Alley we request the closure of Wall Alley so that the department can expand their parking area

On a motion by Commissioner Greathouse to table this matter, the commission moved to approve

NEW BUSINESS

County Commission

Approval of resolution authorizing Jeff Davis, President to act on its behalf to enter into a contractual agreement with the Division of Criminal Justice Services to receive and administer grant funds for the provisions of the Justice Assistance Grant Program in the amount of \$28,000.00

On a motion by Commissioner Greathouse, the commission moved to approve

Approval of resolution authorizing Jeff Davis, President to act on its behalf to enter into a contractual agreement with the with the Division of Criminal Justice Service to receive and administer grant funds for the provisions of the Justice Assistance Grant Program in the amount of \$34,428.00

On a motion by Commissioner Greathouse, the commission moved to approve

Approval of bid from Pulice Enterprise Inc. for the demolition of the old WVU Extension Office/Senior Center in the amount of \$14,000.00

On a motion by Commissioner Greathouse, the commission moved to approve

Approval of bid from Lombardi Development Co. for the renovation of the Clerk's Office/Circuit Clerk/Assessor Office in the amount of \$141,451.00

On a motion by Commissioner Greathouse, the commission moved to approve

Approval of bid from Josh Manypenny in the amount of \$1.00 for 114 Shoup Lever Style Voting Machines

On a motion by Commissioner Greathouse, the commission moved to approve

Approval to designate Assure America as the agent of record for Hancock County to handle Administrative issues with the Brickstreet Insurance Program

On a motion by Commissioner Greathouse, the commission moved to approve

Approval of appointment to the Hancock County Board of Health

On a motion by Commissioner Greathouse Monty Grimes, the commission moved to approve

Approval of Appointment to the Hancock County Public Service District

On a motion by Commissioner Greathouse to appoint Dan Wilson, the commission moved to approve

Approval of appointment to the First Circuit Public Defenders Board of Directors

On a motion by Commissioner Greathouse to table the matter, the commission moved to approve

Approval of appointment to the Tomlinson Run Public Service District

On a motion by Commissioner Greathouse to appoint Robert Koper, the commission moved to approve

Approval of Oakland PSD Bills

On a motion by Commissioner Davis, the commission moved to approve Oakland PSD Bills and requisitions in the amount of \$4,956.20.

Approval of Fire Allocation Bills and Requisitions

On a motion by Commissioner Davis, the commission moved to approve

Approval of Library Levy Fund Bills and Requisitions

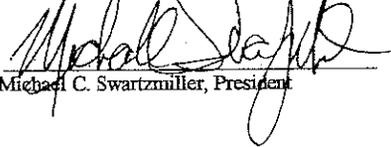
On a motion by Commissioner Davis, the commission moved to approve

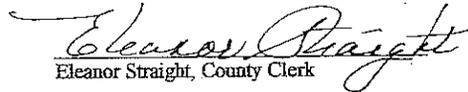
Approval of Sheltered Workshop Bills and Requisitions

On a motion by Commissioner Davis, the commission moved to approve

On a motion by Commissioner Davis to adjourn, the commission moved to approve

It is hereby ORDERED and DECREED that the above be and are hereby declared to be the legal transactions of the Hancock County Commission this the 3rd day of December, 2009.


Michael C. Swartzmiller, President


Eleanor Straight, County Clerk

December 17, 2009
Hancock County Commission

The Hancock County Commission met in session the 17th day of December, 2009, with President Mike Swartzmiller presiding. The following persons were in attendance: Commissioner Jeff Davis, Commissioner Dan Greathouse, Assistant Prosecuting Attorney Bill Fahey, Circuit Clerk Brenda Jackson, Sheriff Mike White, County Administrator Chuck Svokas, Administrative Assistant-Finance Cindy Jones.

BID OPENING

Bid Opening and award for the Soccer field access road on Gas Valley.

James White Construction Co.	\$19,250
Juszczak Construction	\$7,396
Brad Hall Construction	\$7,600

On a motion to by Commissioner Davis to approve Juszczak Construction, the Commission moved to approve

CITIZENS PRESENTATION

There were none.

CORRESPONDENCE

George Danford, Citizen -- Requesting consideration to serve on the Tomlinson Public Service District Board.

On a motion by Commissioner Davis to make this a matter of record, the commission moved to approve

Kanawha County Commissioner encouraging the Commission to adopt similar orders and make a coordinated effort to reject the recent recommendations of the U.S. Preventative Services Task Force and the American College of Obstetricians and Gynecologist regarding mammograms and cervical cancer testing for women.

On a motion by Commissioner Davis to make this a matter of record, the commission moved to approve

NEW BUSINESS**County Commission**

20 year Employee Recognition

Dan Tasse, Sandy Casto, Joyce Beatty, Sharon Ulbright, Mark Cowden, Carol Farish
Eleanor Straight 25 years

Appointment for the unexpired term on the Tomlinson PSD

On a motion by Commissioner Davis to appoint Thomas Salvetti, the Commission moved to approve

Approve web site posting for the position on the Hancock County PSD

On a motion by Commissioner Davis, the commission moved to approve

Approve Delta Dental Contract for December 2009 – December 2011

On a motion by Commissioner Davis, the commission moved to approve

DISBURSEMENT SHEET – OCTOBER 2009

<u>CHECK NUMBERS</u>	<u>FUND</u>	<u>AMOUNT</u>
058187-058393	General County	940,690.44
062222-062451	Payroll	98,626.39
003519-003540	Assessors Valuation	16,052.08
001870-001872	Coal Severance	20,105.54
000528	Concealed Weapons	270.00
001263-001264	Dog and Kennel	197.00
002019-002037	E-911	76,190.20
000437	Gasoline Fund	8,866.63
001852	Home Incarceration	3,465.19
006089	Library Levy	18,519.93
001515-001516	Long Term Capital Improvement	17,528.93
002136-002140	Magistrate	485.98
000794	Sheltered Workshop	10,283.06
501	Animal Shelter Levy	152.59
005092-005124	Special Project Fund	113,212.64

TOTAL 1,324,646.60

November 5, 2009
Hancock County Commission

The Hancock County Commission met in session the 5th day of November, 2009, with President Mike Swartzmiller presiding. The following persons were in attendance: Commissioner Jeff Davis, Commissioner Dan Greathouse, County Clerk Eleanor Straight, Assistant Prosecuting Attorney Bill Fahey.

CITIZENS PRESENTATION

Jesse Gandee- Department of Agriculture, Housing Repair Program
Mr. Gandee spoke to the Commission regarding the programs available to citizens of Hancock County. His office provides financing that focuses on single family housing. They offer home loans, home loan guarantees, and home repair grants for low income families.

CORRESPONDENCE

Jana Tetrault, Committee Chairperson, Make A Wish -- Announcing the 12th Annual Make-A-Wish Fundraiser for Hancock and Brooke Counties on Saturday, November 21st, 6:00 P.M. at Mountaineer Casino Racetrack and Resort.

On a motion by Commissioner Davis to make this a matter of record, the commission moved to approve

David R. Stevens, Manager, Tomlinson Run PSD -- Requesting the Commission re-appoint John Yocina to an additional six year term.

On a motion by Commissioner Davis, the commission moved to approve

NEW BUSINESSCounty Commission

Approve resolution to receive and administer grant funds in the amount of \$4,000.00 to improve Laurel Park.

On a motion by Commissioner Davis, the commission moved to approve

Adjustment to County Bid Policy

On a motion by Commissioner Davis to approve the amendment to the policy, the commission moved to approve

35 Year Employee Recognition

The Commission recognized Cindy Jones for her 35 years of service.

Sheriff's Department

Requesting approval of Jim Robinson, Marvin Manley, Elizabeth McCall and Matthew Ostrander to the Hancock County Sheriff's Reserves.

On a motion by Commissioner Davis, the commission moved to approve

County Clerk's Office

Request an estate be re-opened to file an "Amended" Appraisement to add real estate located in Preston County, WV.

On a motion by Commissioner Davis, the commission moved to approve

Requesting approval to pay attorneys on insolvent estates up to a maximum amount of \$200.00.

On a motion by Commissioner Davis, the commission moved to approve

OATH OF OFFICE

State of West Virginia, Hancock County, to-wit:

I, Robert Koper do solemnly swear that I will support the Constitution of the United States, and of this State; and I further swear that I will faithfully discharge the duties of my office

Member - Tomlinson Public Service District

Beginning on the 1st day of July, 2006, and ending on the 30th day of June, 2012, to the best of my skill and judgment, so help me God.

Robert Koper

Sworn to and subscribed before the undersigned Eleanor Straight in and for the County of Hancock, State of West Virginia, by the said Robert Koper this 10th day of July, 2006 A. D.

Eleanor Straight

OATH OF OFFICE

State of West Virginia, Hancock County, to-wit:

I, John Yocina do solemnly swear that I will support the Constitution of the United States, and of this State; and I further swear that I will faithfully discharge the duties of my office Tomlinson Public Service District

Beginning on the 1st day of November ~~XIX~~ 2009, and ending on the 30th day of June ~~XIX~~ 2015, to the best of my skill and judgment, so help me God.

John Yocina

Sworn to and subscribed before the undersigned Eleanor Straight in and for the County of Hancock, State of West Virginia, by the said John Yocina this 6th day of November A. D. ~~XIX~~ 2009

Eleanor Straight

OATH OF OFFICE

State of West Virginia, Hancock County, to-wit:

I, Thomas Salvati do solemnly swear that I will support the Constitution of the United States, and of this State; and I further swear that I will faithfully discharge the duties of my office Tomlinson Public Service District

Beginning on the 17th day of December ~~X9~~ 2009, and ending on the 30th day of June ~~X9~~ 2011, to the best of my skill and judgment, so help me God.

x Thomas Salvati

Sworn to and subscribed before the undersigned Eleanor Straight in and for the County of Hancock, State of West Virginia, by the said Thomas Salvati this 17th day of December A. D., ~~X9~~ 2009

Eleanor Straight

RULES OF PROCEDURE
TOMLINSON PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: TOMLINSON PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at Rt. 3, Box 286, New Cumberland, Hancock County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Tomlinson Public Service District, and in the center "seal" as follows:

Section 4: The fiscal year of the District shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

This District is organized exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Hancock County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the last Wednesday of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, 2 members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Hancock County Courthouse and at the front door and/or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Hancock County Courthouse and at the front door and/or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 25th day of February, 2004.

03/03/04
904560.00002

TOMLINSON PUBLIC SERVICE DISTRICT
MINUTES – DECEMBER 30, 2009

7:00 p.m.

Members present were: Robert Koper, Thomas Salvati and John Yocina Board Members, and David Stevens, Manager

The first matter addressed by the board was to welcome new board member Thomas Salvati. The previous minutes were approved as read on a motion by Mr. Koper.

On a motion by Mr. Koper, the Board unanimously appointed Mr. Yocina as Chairman and Mr. Stevens as Secretary/Treasurer for 2010.

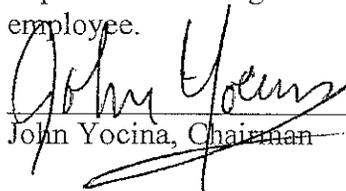
All invoices were approved for payment. Employee work records were reviewed and discussed. Financial reports were reviewed and discussed.

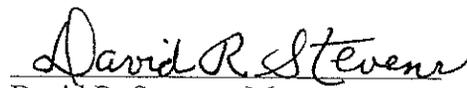
The Board requested Mr. Stevens review the current information on radio read meters. Mr. Stevens stated he has had numerous conversations with Bruce from National Road and Tommy Farrell who is currently using radio read meters at Oakland P.S.D. Issues discussed were the number of meters to purchase, the exorbitant cost of yearly service contracts and the positive and negatives of buying both the computer and the hand held device. Mr. Stevens noted approval from the First National Community Bank to borrow up to \$150,000.00 for a 15 year term. The expected rate would be 4.5% guaranteed for five-years with a maximum rate of 8%. All that is needed now is confirmation of the District's tax-free status. The Board, on a motion by Mr. Koper, unanimously approved Mr. Stevens applying to the West Virginia Public Service Commission for permission to borrow \$100,000 for radio read meters.

Mr. Stevens noted the billing issues between Tomlinson Public Service District and Grant Public Service District have been resolved by the West Virginia Public Service Commission. Billing will only be done for water used with no minimum. The PSC is requesting both Districts enter into an inter-utility agreement and send a copy to the Commission for final approval.

On a motion by Mr. Koper, Mr. Stevens was unanimously approved the administrative contact for information sent to Tomlinson from the West Virginia State Health Department.

Unanimous approval was given, on a motion by Mr. Koper, permitting Mr. Stevens to use George Bell, as needed, to work in the system to satisfy Mr. Bell's community service requirement as long as he was working under the direct supervision of a Tomlinson employee.


John Yocina, Chairman


David R. Stevens, Manager

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION,
SUPPLEMENTAL RESOLUTION, AND DRAW RESOLUTION

The undersigned SECRETARY of the Public Service Board of Tomlinson Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

The Public Service Board of Tomlinson Public Service District met in regular session, pursuant to notice duly posted, on the 4th day of August, 2010, in Hancock County, West Virginia, at the hour of 7:00 p.m.

PRESENT:

John Yocina, Chairman
David Stevens, Secretary
Thomas Salvati

ABSENT:

None.

John Yocina, Chairman, presided, and David Stevens, 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 ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOMLINSON PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOMLINSON PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS,

SERIES 2010 A; 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; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made and seconded, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman then presented a proposed Supplemental Resolution in writing entitled:

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 WATER REVENUE BONDS, SERIES 2010 A OF THE TOMLINSON PUBLIC SERVICE DISTRICT; AND THE SALE AND DELIVERY OF SUCH BONDS TO THE 1ST NATIONAL COMMUNITY BANK; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; GRANTING AUTHORITY TO APPROVE REMAINING DRAWS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made and seconded, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, upon motion duly made and seconded, 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.

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Tomlinson Public Service District and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.


Secretary

07.26.10
904560.00005

WV MUNICIPAL BOND COMMISSION
 1207 Quarrier Street
 Suite 401
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 6-Aug-10

ISSUE: <u>Tomlinson Public Service District</u> <u>Water Revenue Bonds, Series 2010 A</u>	
ADDRESS: <u>Box 113, New Manchester, WV 26062</u>	COUNTY: <u>Hancock</u>
PURPOSE OF ISSUE: New Money: <u> x </u> Refunding: <u> </u>	
ISSUE DATE: <u>6-Aug-10</u>	REFUNDS ISSUE(S) DATED: <u> </u>
ISSUE AMOUNT: <u> \$100,000 </u>	CLOSING DATE: <u>6-Aug-10</u>
1ST DEBT SERVICE DUE: <u>1-Sep-10</u>	RATE: <u>5.00%</u>
1ST DEBT SERVICE AMOUNT <u> \$790.46 </u>	1ST PRINCIPAL DUE <u>1-Sep-10</u>
	PAYING AGENT: <u>Municipal Bond Commission</u>
BOND COUNSEL: Firm: <u>Stephoe & Johnson PLLC</u> Contact: <u>John Stump, Esquire</u> Phone: <u>(304) 353.8196</u>	
UNDERWRITERS COUNSEL: Firm: <u> </u> Contact: <u> </u> Phone: <u> </u>	
CLOSING BANK: Bank: <u>1st National Community Bank</u> Contact: <u>Mike Palmer</u> Phone: <u>330.382.7033</u>	
ESCROW TRUSTEE: Firm: <u> </u> Contact: <u> </u> Phone: <u> </u>	
KNOWLEDGEABLE ISSUER CONTACT Contact: <u>David Stevens</u> Position: <u>General Manager</u> Phone: <u>304.387.9587</u>	
OTHER: Agency: <u> </u> <u> </u> Contact: <u> </u> Position: <u> </u> Phone: <u> </u>	
DEPOSITS TO MBC AT CLOSE By: <u> </u> Wire <u> </u> Accrued Interest: \$ <u> </u> <u> </u> Check <u> </u> Capitalized Interest: \$ <u> </u> <u> </u> Reserve Account: \$ <u> </u> <u> </u> Other: \$ <u> </u>	
REFUNDS & TRANSFERS BY MBC AT CLOSE By: <u> </u> Wire <u> </u> To Escrow Trustee \$ <u> </u> <u> </u> Check <u> </u> To Issuer \$ <u> </u> <u> </u> IGT <u> </u> To Cons. Invest. Fun: \$ <u> </u> <u> </u> To Other: <u> </u> \$ <u> </u>	
NOTES: <u>The Series 2010 A Bonds Reserve Account will be fully funded over 10 years</u> <u> </u> <u> </u>	
FOR MUNICIPAL BOND COMMISSION USE ONLY: DOCUMENTS REQUIRED: <u> </u> TRANSFERS REQUIRED: <u> </u> <u> </u>	



1ST NATIONAL COMMUNITY BANK

16924 ST. CLAIR AVENUE • P. O. BOX 796
EAST LIVERPOOL, OHIO 43920
(330) 385-9200

June 15, 2010

Katy Mallory, P.E.
Steptoe & Johnson PLLC
P O Box 1588
Charleston, WV. 25326

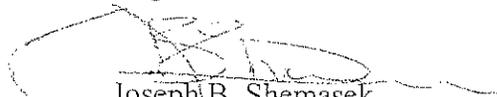
Dear Ms. Mallory,

1st National Community Bank is interested in providing the requested financing to the Tomlinson Public Service District in connection to the Water Revenue Bonds, Series 2010. We are prepared to offer the following terms and conditions which will be subject to the final approval of our Board of Directors:

Loan Amount:	\$100,000
Fee:	\$1,000
Term:	15 years
Rate:	5.0% fixed for 15 years (This is a "tax free" rate)
Security:	1 st lien pledge of the net revenues of the District's water system on a parity with the District's existing outstanding water revenue bonds.

If you require any additional information please contact me at (330) 382-7007.

Regards,



Joseph B. Shemasek
SVP/Chief Commercial Loan Officer



1ST NATIONAL COMMUNITY BANK

16924 ST. CLAIR AVENUE • P. O. BOX 796
EAST LIVERPOOL, OHIO 43920
(330) 385-9200

Bank Investment Letter

August 6, 2010

Tomlinson Public Service District
Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

Tomlinson Public Service District
New Manchester, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

The undersigned Stephen R. Sant, President of 1st National Community Bank, East Liverpool, Ohio (the "Purchaser"), on behalf of the Purchaser in connection with its purchase of \$100,000 aggregate principal amount of Water Revenue Bonds, Series 2010 A (the "Bonds"), issued by Tomlinson Public Service District (the "Issuer") on the date hereof, hereby makes the following representations and warranties to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Bonds, and our net worth and available assets are such that we are able to bear the economic risk of our purchase of the Bonds.

2. We understand that the entire principal of and interest on the Bonds are payable by the Issuer solely from and secured by a first lien on the Net Revenues of the System; that the Bonds are special and limited obligations of the Issuer and are not general obligations or secured by any obligation or pledge of any monies received or to be received by the Issuer other than as described above; that the Bonds do not now and shall never constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

There are outstanding bonds of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge, source of and security for payment being the (i) Water Revenue Bonds,

Series 2004 A (West Virginia Infrastructure Fund) dated March 9, 2004, issued in the original aggregate principal amount of \$1,353,815 (the "Series 2004 A Bonds"); and (ii) Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority) dated March 9, 2004, issued in the original aggregate principal amount of \$669,500 (the "Series 2004 B Bonds") (collectively, the "Prior Bonds").

3. We understand that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the Issuer or the Bonds is being issued, that the Bonds are unrated, and that in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds, and are relying solely on such inquiry and analysis in our purchase of the Bonds.

4. We acknowledge that during the course of the transaction and prior to the sale of the Bonds, we have requested or have had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that as a reasonable investor, we have been able to make our decision to purchase the Bonds. No such information requested by us has been denied to us.

5. Because of our experience in financial and business matters, we feel that we are qualified to make the inquiry and analysis described in paragraph 3 and to understand fully the documents and information described in paragraph 4.

6. We understand that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes, some of which apply after issuance of the Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Bonds to be includable in gross income for federal income tax purposes and thus, subject to federal income taxation retroactively to the date hereof. We also understand that under the Code, interest on obligations, such as the Bonds, which are not "private activity bonds," is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code and is not included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. Additionally, we understand that for tax years beginning after 1986, interest on the Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code and enacted by the Superfund Revenue Act of 1986, and that for taxable years beginning after 1986, interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to the branch profits tax imposed by the Code.

7. We understand that the Bonds (a) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) may be resold only to purchasers who meet the criteria set forth herein and who, as a condition to such purchase, deliver an executed letter substantially in the form hereof to Steptoe & Johnson PLLC, Charleston, West Virginia.

8. We are purchasing the Bonds for investment in our own account and do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

9. We have had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and we have satisfied ourselves that the Bonds are a lawful investment for us under all applicable laws.

Very truly yours,

1ST NATIONAL COMMUNITY BANK

By: Shepherd R. Sant PRES/CEO
Its: Authorized Officer

904560.00005

TOMLINSON PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2004 A
(West Virginia Infrastructure Fund)
and
Water Revenue Bonds, Series 2004 B
(West Virginia Water Development Authority)**

BOND RESOLUTION

Table of Contents

Subject	Page
ARTICLE I	
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	
Section 1.01 Authority for this Resolution	2
Section 1.02 Findings	2
Section 1.03 Bond Legislation Constitutes Contract	4
Section 1.04 Definitions	4
ARTICLE II	
AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT	
Section 2.01 Authorization of the Acquisition and Construction of the Project	13

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

Section 3.01	Authorization of Bonds	14
Section 3.02	Terms of Bonds	14
Section 3.03	Execution of Bonds	15
Section 3.04	Authentication and Registration	15
Section 3.05	Negotiability, Transfer and Registration	15
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	16
Section 3.07	Bonds not to be Indebtedness of the Issuer	16
Section 3.08	Bonds Secured by Pledge of Net Revenues	17
Section 3.09	Delivery of Bonds	17
Section 3.10	Form of Bonds	17
	FORM OF SERIES 2004 A BOND	18
	FORM OF SERIES 2004 B BOND	26
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreements	33
Section 3.12	Filing of Amended Schedule	33

ARTICLE IV
[RESERVED] 34

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION
THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	35
Section 5.02	Establishment of Funds and Accounts with Commission	35
Section 5.03	System Revenues; Flow of Funds	35

ARTICLE VI
BOND PROCEEDS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	41
Section 6.02	Disbursements from the Series 2004 A Bonds Construction Trust Fund	42
Section 6.03	Disbursements from the Series 2004 B Bonds Construction Trust Fund	43

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	44
Section 7.02	Bonds not to be Indebtedness of the Issuer	44
Section 7.03	Bonds Secured by Pledge of Net Revenues	
Section 7.04	Initial Schedule of Rates and Charges	44
Section 7.05	Sale of the System	45
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	46
Section 7.07	Parity Bonds	46
Section 7.08	Books; Records and Audit	48
Section 7.09	Rates	50
Section 7.10	Operating Budget and Monthly Financial Report	50
Section 7.11	Engineering Services and Operating Personnel	51
Section 7.12	No Competing Franchise	51
Section 7.13	Enforcement of Collections	52
Section 7.14	No Free Services	52
Section 7.15	Insurance and Construction Bonds	52
Section 7.16	Connections	54
Section 7.17	Completion of Project; Permits and Orders	54
Section 7.18	Tax Covenants	55
Section 7.19	Statutory Mortgage Lien	56
Section 7.20	Compliance with Loan Agreements and Law	56
Section 7.21	Securities Laws Compliance	56
Section 7.22	Contracts; Public Releases	56

ARTICLE VIII
INVESTMENT OF FUNDS

Section 8.01	Investments	57
Section 8.02	Certificate as to Use of Proceeds	57
Section 8.03	Arbitrage and Tax Exemption	58
Section 8.04	Tax Certificate and Rebate	58

**ARTICLE IX
DEFAULT AND REMEDIES**

Section 9.01	Events of Default	60
Section 9.02	Remedies	60
Section 9.03	Appointment of Receiver	60

**ARTICLE X
PAYMENT OF BONDS**

Section 10.01	Payment of Bonds	62
---------------	------------------	----

**ARTICLE XI
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation	63
Section 11.02	Bond Legislation Constitutes Contract	63
Section 11.03	Severability of Invalid Provisions	63
Section 11.04	Headings, Etc.	63
Section 11.05	Conflicting Provisions Repealed	63
Section 11.06	Covenant of Due Procedure, Etc.	64
Section 11.07	Public Notice of Proposed Financing	64
Section 11.08	Effective Date	64
	SIGNATURES	65
	CERTIFICATION	66
	EXHIBIT A	67

TOMLINSON PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF TOMLINSON PUBLIC SERVICE DISTRICT AND THE FINANCING OF A PORTION OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND); AND NOT MORE THAN \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE LOAN AGREEMENTS 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 TOMLINSON 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, Chapter 22C, Article 1, and Chapter 31, Article 15A, of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health, safety, advantage, convenience and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public waterworks system of the Issuer, consisting of constructing a water line along New Cumberland Ridge Road and Three Springs Drive and upgrading the existing booster station on Country Road 20 to a minimum capacity of 300 GPM; constructing an 80,000 gallon storage tank at Carson Road and a 300,000 gallon water storage tank at Westlake Lane and removing an abandoned oil storage tank; cleaning and repainting the existing 300,000 gallon water storage tank and installing safety equipment; and constructing extensions to provide potable water to approximately 122 customers along Frankfort Road, Carson Road, Mayhew Road, Ross Road and Hardin Run Road, together with all appurtenant facilities, which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer (collectively, the "Project") (the existing public waterworks facilities of the Issuer, the Project and any further extensions or improvements thereto are herein called the "System").

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

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, in the total aggregate principal amount of not more than \$2,200,000, in two series (collectively, the "Series 2004 Bonds"), being the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than \$1,500,000 (the "Series 2004 A Bonds"); and the Water Revenue Bonds, Series 2004 B (West Virginia Water

Development Authority), in the aggregate principal amount of not more than \$700,000 (the "Series 2004 B Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project, as described in Section 1.02B 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 2004 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding six (6) months after completion of acquisition and construction of the Project; amounts which may be deposited in the respective Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2004 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the cost of design, acquisition and construction of the Project, 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 2004 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 the Series 2004 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the Issuer, the Authority and the Council (the "Council Loan Agreement") and that the Series 2004 B Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority (the "WDA Loan Agreement"), all of which are approved hereby if not previously approved by resolution of the Issuer.

G. 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 Series 2004 Bonds, and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreements relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2004 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing hereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2004 Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been approved by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2004 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 2004 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A, Chapter 22C, Article 1, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2004 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.

"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 2004 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 2004 Bonds for all or a portion of the proceeds of the Series 2004 Bonds from the Authority.

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

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

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

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

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

"Council Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Authority and the Issuer, on behalf of the Council, providing for the purchase of the Series 2004 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.

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

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

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

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

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

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

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

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

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

"Investment Property" means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

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

"Loan Agreements" means, collectively, the Council Loan Agreement and the WDA Loan Agreement, the forms of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2004 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the respective Series 2004 Bonds Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2004 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 2004 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2004 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 monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2004 Bonds in the Supplemental Resolution with the written consent of the Authority and the Council.

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

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

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

(a) Government Obligations;

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

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

Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

(g) Repurchase agreements 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, including, without limitation, authorized pools of investments operated by such State Board of Investments; 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 Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2004 Bonds.

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

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

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

"Series 2004 Bonds" means, collectively, the Series 2004 A Bonds and the Series 2004 B Bonds of the Issuer, authorized by this Resolution.

"Series 2004 A Bonds" means the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2004 A Bonds Construction Trust Fund" means the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2004 A Bonds Reserve Account" means the Series 2004 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2004 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 2004 A Bonds in the then current or any succeeding year.

"Series 2004 A Bonds Sinking Fund" means the Series 2004 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2004 B Bonds" means the Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority), of the Issuer, authorized by this Resolution.

"Series 2004 B Bonds Construction Trust Fund" means the Series 2004 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2004 B Bonds Rebate Fund" means the Series 2004 B Bonds Rebate Fund established by Section 5.01 hereof.

"Series 2004 B Bonds Reserve Account" means the Series 2004 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2004 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 2004 B Bonds in the then current or any succeeding year.

"Series 2004 B Bonds Sinking Fund" means the Series 2004 B Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2004 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 2004 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2004 Bonds, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2004 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 public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks system from any sources whatsoever.

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

"WDA Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Authority and the Issuer, providing for the purchase of the Series 2004 B 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.

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

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

Section 2.01. Authorization of the Acquisition and Construction of the Project.

There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$3,152,786 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 2004 Bonds hereby authorized shall be applied as provided in Article VI hereof, respectively. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated to be \$3,152,786, of which approximately \$1,500,000 will be obtained from the Series 2004 A Bonds, approximately \$700,000 will be obtained from the Series 2004 B Bonds, \$370,000 will be obtained from the grant of the Hancock County Commission and \$582,786 will be obtained from the grant of the Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2004 Bonds, funding the Reserve Accounts, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2004 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 2004 Bonds of the Issuer. The Series 2004 Bonds shall be issued in two series. The Series 2004 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund)," in an aggregate principal amount of not more than \$1,500,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The Series 2004 B Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority)," in an aggregate principal amount of not more than \$700,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the respective Series 2004 Bonds remaining after funding of the respective Series 2004 Bonds Reserve Account (if funded from Bond proceeds), capitalizing interest on the respective Series 2004 Bonds, if any, shall be deposited in or credited to the respective Series 2004 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2004 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable 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 respective Loan Agreements. The Series 2004 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 2004 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 respective Series 2004 Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each respective series of Series 2004 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The

Series 2004 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2004 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 2004 Bonds shall cease to be such officer of the Issuer before the Series 2004 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 2004 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 2004 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2004 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 2004 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 2004 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 2004 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 2004 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 respective Series 2004 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the respective Series 2004 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2004 Bonds shall be secured by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2004 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 2004 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2004 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 each series of Series 2004 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 respective Series 2004 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. Executed copies of the Loan Agreements; and
- E. The unqualified approving opinion of bond counsel on the Series 2004 Bonds.

Section 3.10. Form of Bonds. The text of the respective Series 2004 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2004 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOMLINSON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2004 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That TOMLINSON PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2004.

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 waterworks facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System."

This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 200____, and a Supplemental Resolution duly adopted by the Issuer on _____, 200____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2004 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2004 B 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 2004 B Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2004 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2004 B Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2004 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered

owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, TOMLINSON 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 _____, 2004.

[SEAL]

Chairman

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 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: _____, 2004.

THE HUNTINGTON NATIONAL BANK,
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

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

(FORM OF SERIES 2004 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOMLINSON PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2004 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. BR-___

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That TOMLINSON PUBLIC SERVICE DISTRICT, a public service district, a public corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of _____ DOLLARS (\$ _____), in annual installments on October 1 of each year, commencing _____ 1, 200____, 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 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 Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 of each year, commencing _____ 1, 200____, as set forth on Exhibit A attached hereto. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 2004.

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 waterworks facilities of the Issuer (the "Project"); (ii) to pay capitalized interest on the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks 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 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2004, and a Supplemental Resolution duly adopted by the Issuer on _____, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2004 A 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 2004 A Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2004 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2004 B Bond 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 on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2004 A Bonds; provided however, that so long as there exists in the Series 2004 B

Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2004 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in 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, TOMLINSON 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
_____, 2004.

[SEAL]

Chairman

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

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. Sale of Bonds; Approval and Ratification of Execution of Loan Agreements. The Loan Agreements, including all schedules and exhibits attached thereto, are hereby approved. The Series 2004 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreements. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreements 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 Agreements to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for each series of the Series 2004 Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank.

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

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2004 A Bonds Construction Trust Fund;
- (4) Series 2004 B Bonds Construction Trust Fund; and
- (5) Series 2004 B Bonds Rebate Fund; and

Section 5.02. Establishment of Funds and Accounts with Commission.

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

- (1) Series 2004 A Bonds Sinking Fund;
- (2) Series 2004 A Bonds Reserve Account;
- (3) Series 2004 B Bonds Sinking Fund; and
- (4) Series 2004 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 7 months prior to the first date of payment of interest on the Series 2004 B Bonds for which interest has not been capitalized or as required in the WDA Loan Agreement, for deposit in the Series 2004 B Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2004 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 B Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next semiannual 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) commencing 3 months prior to the first date of payment of principal of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2004 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 2004 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment 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; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2004 B Bonds, for deposit in the Series 2004 B Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 2004 B Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next annual 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, commencing 3 months after the completion of construction of the Project, as certified by the Consulting Engineers, if not fully funded upon issuance thereof, (i) for deposit in the Series 2004 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 A Bonds Reserve Requirement; and (ii) for deposit in the Series 2004 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 B Bonds Reserve Requirement; provided that, no further payments shall be made into the respective Series 2004 Bonds Reserve Accounts when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the respective Series 2004 Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Renewal and Replacement Fund, 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 monies from the Renewal and Replacement Fund.

Monies in the Series 2004 A Bonds Sinking Fund and the Series 2004 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds and the Series 2004 B Bonds, respectively, as the same shall become due. Monies in the Series 2004 A Bonds Reserve Account and the Series 2004 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2004 A Bonds and the Series 2004 B Bonds, respectively, as the same shall come due, when other monies in the Series 2004 A Bonds Sinking Fund and the Series 2004 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Except to the extent transferred to a Rebate Fund at the request of the Issuer, all investment earnings on monies in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account, the Series 2004 B Bonds Sinking Fund and the Series 2004 B 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 respective Bond Construction Trust Funds, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest

payment due on the Series 2004 Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Except to the extent transferred to a Rebate Fund at the request of the Issuer, any withdrawals from the Series 2004 A Bonds Reserve Account and the Series 2004 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements thereof, shall be 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 2004 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 respective Series 2004 Bonds Sinking Funds or the respective Series 2004 Bonds Reserve Accounts therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2004 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2004 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the respective Series 2004 Bonds Sinking Funds and the respective Series 2004 Bonds Reserve Accounts 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 any time, the Issuer shall make the necessary arrangements whereby required payments into the Series 2004 Bonds Sinking Funds and the respective Series 2004 Bonds Reserve Accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the respective Series 2004 Bonds Sinking Funds and the respective Series 2004 Bonds Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

Except with respect to transfers to a Rebate Fund, the Series 2004 A Bonds Sinking Fund, the Series 2004 A Bonds Reserve Account, the Series 2004 B Sinking Fund and the Series 2004 B Bonds Reserve Account shall be used solely and only for, and are

hereby pledged for, the purpose of servicing the Series 2004 Bonds, respectively, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2004 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreements, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of each 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 any time, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

ARTICLE VI

BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. A. From the monies received from the sale of the Series 2004 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(a) From the proceeds of the Series 2004 A Bonds, there shall first be deposited with the Commission in the Series 2004 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

(b) Next, from the proceeds of the Series 2004 A Bonds, there shall be deposited with the Commission in the Series 2004 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2004 A Bonds Reserve Account.

(c) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2004 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2004 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2004 A Bonds.

(d) After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2004 A Bonds shall be used as directed by the Council.

B. From the monies received from the sale of the Series 2004 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(a) From the proceeds of the Series 2004 B Bonds, there shall first be deposited with the Commission in the Series 2004 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

(b) Next, from the proceeds of the Series 2004 B Bonds, there shall be deposited with the Commission in the Series 2004 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2004 B Bonds Reserve Account.

(c) The remaining monies derived from the sale of the Series 2004 B Bonds shall be deposited with the Depository Bank in the Series 2004 B Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in

Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2004 B Bonds.

(d) After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2004 B Bonds shall be used to fund the Series 2004 B Bonds Reserve Account, if not funded upon issuance of the Series 2004 B Bonds, in an amount not to exceed the Series 2004 B Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2004 B Bonds be deposited in the Series 2004 B Bonds Reserve Account. Any remaining proceeds thereafter shall be used as directed by the Authority.

Section 6.02. Disbursements from the Series 2004 A Bonds Construction Trust Fund. The Issuer shall each month provide the Council with a requisition for the costs incurred on the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2004 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

- (A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (C) Each of such costs has been otherwise properly incurred; and
- (D) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2004 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2004 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

Section 6.03. Disbursements from the Series 2004 B Bonds Construction Trust Fund. Except as provided in Section 6.01 hereof, disbursements from the Series 2004 B Bonds Construction Trust Fund shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

- (A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (C) Each of such costs has been otherwise properly incurred; and
- (D) Payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 2004 B Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2004 B Bonds 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 Construction Trust Funds. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, monies in the Series 2004 B Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2004 B Bonds within 3 years of the date of issuance of the Authority's bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2004 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 2004 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2004 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 2004 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2004 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2004 Bonds shall be secured by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2004 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreements. 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 December 2, 2003, in Case No. 03-0623-PWD-CN, and such rates are hereby adopted.

So long as the Series 2004 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreements. In the event the

schedule of rates and charges initially established for the System in connection with the Series 2004 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreements, 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 and the Loan Agreements.

Section 7.05. Sale of the System. So long as the Series 2004 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to 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 remitted to the Commission for deposit in the respective Series 2004 Bonds Sinking Fund, and, with the written permission of the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the respective Series 2004 Bonds. Any balance remaining after the payment of the respective Series 2004 Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with 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 shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds

to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, 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 2004 Bonds. All obligations issued by the Issuer after the issuance of the Series 2004 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 2004 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 2004 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 2004 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2004 Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority and the Council under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2004 Bonds.

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

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (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 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 2004 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 2004 Bonds.

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

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

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

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

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

The Issuer shall file with the Council and Authority, or any other original purchaser of the respective Series 2004 Bonds, and shall mail in each year to any Holder or Holders of the respective Series 2004 Bonds, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2004 Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2004 Bonds. Such audit report submitted to the Council and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreements and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

Section 7.09. Rates. Prior to the issuance of the Series 2004 Bonds, 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the respective Series 2004 Bonds Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2004 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 2004 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Council and the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written

finding and recommendation by a professional engineer which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Council and the Authority and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Council and the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the design 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 Agreements, and forward a copy of such report to the Council and the Authority by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreements, 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 Council and the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Council and the Authority is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

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

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit

to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

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

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2004 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

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

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

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

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

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

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

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

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

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2004 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 2004 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 2004 Bonds during the term thereof is, under the terms of the Series 2004 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 2004 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 2004 Bonds during the term thereof is, under the terms of the Series 2004 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 2004 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 2004 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 2004 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 2004 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer shall timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2004 Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so

that the interest on the Series 2004 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 2004 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 2004 Bonds.

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

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

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

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 Bonds immediately thereafter, enter into written contracts for the immediate design, acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2004 Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2004 Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2004 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2004 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2004 A Bonds as a condition to issuance of the Series 2004 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2004 A Bonds as may be necessary in order to maintain the status of the Series 2004 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2004 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the

Authority or the Council, as the case may be, from which the proceeds of the Series 2004 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2004 A Bonds and any additional information requested by the Authority.

Section 8.03. 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 2004 B Bonds which would cause the Series 2004 B 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 2004 B Bonds) so that the interest on the Series 2004 B 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 8.04. 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 2004 B Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2004 B 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.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and 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 such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the

preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. 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 8.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all interest, penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2004 B Bonds from gross income for federal income tax purposes.

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 and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2004 B Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2004 B 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 2004 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2004 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 2004 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2004 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.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2004 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2004 Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2004 Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2004 Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2004 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 Series 2004 Bonds, any Registered Owner of a Series 2004 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 Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2004 Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2004 Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2004 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 Series 2004 Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2004 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2004 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2004 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2004 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2004 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 2004 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2004 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2004 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 the Series 2004 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 2004 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 2004 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 2004 Bonds.

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

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

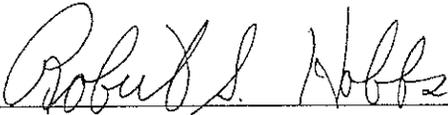
Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and at the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular 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 Tomlinson Public Service District and within the boundaries of the Issuer, a Class II legal advertisement stating:

- (a) The maximum amount of the Series 2004 Bonds to be issued;
- (b) The maximum interest rate and terms of the Series 2004 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 25th day of February, 2004.



Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of TOMLINSON PUBLIC SERVICE DISTRICT on the 25th day of February, 2004.

Dated: March 9, 2004.

[SEAL]


Secretary

EXHIBIT A

Loan Agreements included in bond transcript as Document 3, 4 and 5.

02/24/04
904560.00002

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2004 A
(West Virginia Infrastructure Fund) and
Water Revenue Bonds, Series 2004 B
(West Virginia Water Development Authority)

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 WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND WATER REVENUE BONDS, SERIES 2004 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) OF TOMLINSON PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING LOAN AGREEMENTS 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 Tomlinson Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective February 25, 2004 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF TOMLINSON PUBLIC SERVICE DISTRICT AND THE FINANCING OF A

PORTION OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND); AND NOT MORE THAN \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, all 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 issuance of the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) (the "Series 2004 A Bonds") and the Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority) (the "Series 2004 B Bonds" and collectively with the Series 2004 A Bonds, the "Series 2004 Bonds"), of the Issuer, in the aggregate principal amount not to exceed \$1,500,000 and \$700,000, respectively, and has authorized the execution and delivery of a loan agreement relating to the Series 2004 A Bonds, including all schedules and exhibits attached thereto (the "Council Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and a loan agreement relating to the Series 2004 B Bonds, including all schedules and exhibits attached thereto (the "WDA Loan Agreement"), by and between the Issuer and the Authority (collectively, the "Loan Agreements"), all in accordance with Chapter 16, Article 13A, Chapter 22C, Article 1 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the form of the Loan Agreements and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Series 2004 Bonds should be established by

a supplemental resolution pertaining to the Series 2004 Bonds; and that other matters relating to the Series 2004 Bonds be herein provided for;

WHEREAS, the Loan Agreements have been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreements; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreements be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Series 2004 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2004 Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF TOMLINSON 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 following bonds of the Issuer:

(A) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,353,815. The Series 2004 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2044, and shall bear no interest. The principal of the Series 2004 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2005, in the amounts as set forth in the "Schedule Y" attached to the Council Loan Agreement and incorporated in and made a part of the Series 2004 A Bonds. The Series 2004 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Council Loan Agreement, so long as the Authority shall be the registered owner of the Series 2004 A Bonds.

(B) Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$669,500. The Series 2004 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2043, and shall bear interest at the rate of 5.0% per

annum, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2004. The principal of the Series 2004 B Bonds shall be payable in annual installments on October 1 of each year, commencing October 1, 2006, in the amounts set forth in the "Schedule Y" attached to the WDA Loan Agreement and incorporated in and made a part of the Series 2004 B Bonds. The Series 2004 B Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium and otherwise in compliance with the WDA Loan Agreement, as long as the Authority shall be the registered owner of the Series 2004 B Bonds.

Section 2. All other provisions relating to the Series 2004 Bonds and the text of the Series 2004 Bonds shall be in substantially the forms as provided in the Resolution.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreements incorporated herein by reference, and the execution and delivery of the Loan Agreements 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 Agreements and in the applications to the Authority and the Council. The price of the Series 2004 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2004 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2004 Bonds under the Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2004 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2004 Bonds under the Resolution.

Section 6. The Issuer does hereby appoint and designate First National Community Bank of New Cumberland, New Cumberland, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. Series 2004 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2004 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 A Bonds Reserve Account. The Series 2004 A Bonds Reserve Account will be fully funded in the amount of \$35,164 from proceeds of the Hancock County Commission Grant.

Section 9. The balance of the proceeds of the Series 2004 A Bonds shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund as received from time-to-time for payment of the costs of the Project, including, without limitation, costs of issuance thereof and related costs.

Section 10. Series 2004 B Bonds proceeds in the amount of \$40,000 shall be deposited in the Series 2004 B Bonds Sinking Fund, as capitalized interest.

Section 11. Series 2004 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 B Bonds Reserve Account.

Section 12. The balance of the proceeds of the Series 2004 B Bonds shall be deposited in or credited to the Series 2004 B Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance thereof and related costs.

Section 13. 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 2004 Bonds to be issued hereby and by the Resolution approved and provided for, to the end that the Series 2004 Bonds may be delivered to the Authority pursuant to the Loan Agreements on or about March 9, 2004.

Section 14. The acquisition and construction of the Project and the financing thereof with proceeds of the Series 2004 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 15. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the 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 monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the respective Sinking Funds and Reserve Accounts for the Series 2004 Bonds shall be invested by the Commission in the West Virginia Consolidated Fund.

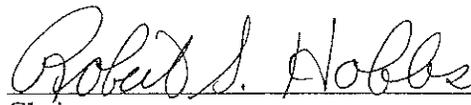
Section 16. The Issuer shall not permit at any time or times any of the proceeds of the Series 2004 Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2004 Bonds from the treatment afforded by Section 103(a) of the Internal 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 2004 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 17. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 25th day of February, 2004.

Handwritten signature of Robert S. Hobbs in cursive script, written over a horizontal line.

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of TOMLINSON PUBLIC SERVICE DISTRICT on the 25th day of February, 2004.

Dated: March 9, 2004.

[SEAL]


Secretary

02/25/04
904560.00002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOMLINSON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2004 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$1,353,815

KNOW ALL MEN BY THESE PRESENTS: That on this the 9th day of March, 2004, TOMLINSON PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of ONE MILLION THREE HUNDRED FIFTY-THREE THOUSAND EIGHT HUNDRED FIFTEEN DOLLARS (\$1,353,815), 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 December 1, 2005, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated March 9, 2004.

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 waterworks facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16,

Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on February 25, 2004, and a Supplemental Resolution duly adopted by the Issuer on February 25, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2004 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$669,500 (THE "SERIES 2004 B 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 2004 B Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2004 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2004 B Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2004 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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

[SEAL]

Robert Hobbs
Chairman

ATTEST:

David Robinson
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 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: March 9, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

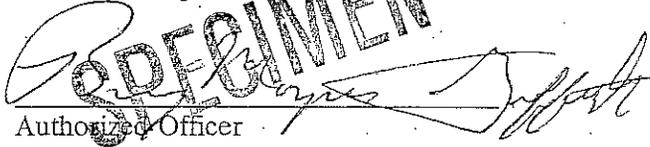
SPECIMEN

Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	\$ 50,500	March 9, 2004	(19)	\$	
(2)	\$		(20)	\$	
(3)	\$		(21)	\$	
(4)	\$		(22)	\$	
(5)	\$		(23)	\$	
(6)	\$		(24)	\$	
(7)	\$		(25)	\$	
(8)	\$		(26)	\$	
(9)	\$		(27)	\$	
(10)	\$		(28)	\$	
(11)	\$		(29)	\$	
(12)	\$		(30)	\$	
(13)	\$		(31)	\$	
(14)	\$		(32)	\$	
(15)	\$		(33)	\$	
(16)	\$		(34)	\$	
(17)	\$		(35)	\$	
(18)	\$		(36)	\$	
TOTAL				\$	

EXHIBIT B

DEBT SERVICE SCHEDULE

Tomlinson Public Service District

Loan of \$1,353,815
 0% Interest Rate, 40 Years
 Closing Date: March 9, 2004

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2004	-	-	-
9/01/2004	-	-	-
12/01/2004	-	-	-
3/01/2005	-	-	-
6/01/2005	-	-	-
9/01/2005	-	-	-
12/01/2005	8,791.01	-	8,791.01
3/01/2006	8,791.01	-	8,791.01
6/01/2006	8,791.01	-	8,791.01
9/01/2006	8,791.01	-	8,791.01
12/01/2006	8,791.01	-	8,791.01
3/01/2007	8,791.01	-	8,791.01
6/01/2007	8,791.01	-	8,791.01
9/01/2007	8,791.01	-	8,791.01
12/01/2007	8,791.01	-	8,791.01
3/01/2008	8,791.01	-	8,791.01
6/01/2008	8,791.01	-	8,791.01
9/01/2008	8,791.01	-	8,791.01
12/01/2008	8,791.01	-	8,791.01
3/01/2009	8,791.01	-	8,791.01
6/01/2009	8,791.01	-	8,791.01
9/01/2009	8,791.01	-	8,791.01
12/01/2009	8,791.01	-	8,791.01
3/01/2010	8,791.01	-	8,791.01
6/01/2010	8,791.01	-	8,791.01
9/01/2010	8,791.01	-	8,791.01
12/01/2010	8,791.01	-	8,791.01
3/01/2011	8,791.01	-	8,791.01
6/01/2011	8,791.01	-	8,791.01
9/01/2011	8,791.01	-	8,791.01
12/01/2011	8,791.01	-	8,791.01
3/01/2012	8,791.01	-	8,791.01
6/01/2012	8,791.01	-	8,791.01
9/01/2012	8,791.01	-	8,791.01
12/01/2012	8,791.01	-	8,791.01
3/01/2013	8,791.01	-	8,791.01
6/01/2013	8,791.01	-	8,791.01
9/01/2013	8,791.01	-	8,791.01
12/01/2013	8,791.01	-	8,791.01
3/01/2014	8,791.01	-	8,791.01
6/01/2014	8,791.01	-	8,791.01
9/01/2014	8,791.01	-	8,791.01
12/01/2014	8,791.01	-	8,791.01
3/01/2015	8,791.01	-	8,791.01
6/01/2015	8,791.01	-	8,791.01
9/01/2015	8,791.01	-	8,791.01
12/01/2015	8,791.01	-	8,791.01

Tomlinson Public Service District

Loan of \$1,353,815

0% Interest Rate; 40 Years

Closing Date: March 9, 2004

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2016	8,791.01	-	8,791.01
6/01/2016	8,791.01	-	8,791.01
9/01/2016	8,791.01	-	8,791.01
12/01/2016	8,791.01	-	8,791.01
3/01/2017	8,791.01	-	8,791.01
6/01/2017	8,791.01	-	8,791.01
9/01/2017	8,791.01	-	8,791.01
12/01/2017	8,791.01	-	8,791.01
3/01/2018	8,791.01	-	8,791.01
6/01/2018	8,791.01	-	8,791.01
9/01/2018	8,791.01	-	8,791.01
12/01/2018	8,791.01	-	8,791.01
3/01/2019	8,791.01	-	8,791.01
6/01/2019	8,791.01	-	8,791.01
9/01/2019	8,791.01	-	8,791.01
12/01/2019	8,791.01	-	8,791.01
3/01/2020	8,791.01	-	8,791.01
6/01/2020	8,791.01	-	8,791.01
9/01/2020	8,791.01	-	8,791.01
12/01/2020	8,791.01	-	8,791.01
3/01/2021	8,791.01	-	8,791.01
6/01/2021	8,791.01	-	8,791.01
9/01/2021	8,791.01	-	8,791.01
12/01/2021	8,791.01	-	8,791.01
3/01/2022	8,791.01	-	8,791.01
6/01/2022	8,791.01	-	8,791.01
9/01/2022	8,791.01	-	8,791.01
12/01/2022	8,791.01	-	8,791.01
3/01/2023	8,791.01	-	8,791.01
6/01/2023	8,791.01	-	8,791.01
9/01/2023	8,791.01	-	8,791.01
12/01/2023	8,791.01	-	8,791.01
3/01/2024	8,791.01	-	8,791.01
6/01/2024	8,791.01	-	8,791.01
9/01/2024	8,791.01	-	8,791.01
12/01/2024	8,791.01	-	8,791.01
3/01/2025	8,791.01	-	8,791.01
6/01/2025	8,791.01	-	8,791.01
9/01/2025	8,791.01	-	8,791.01
12/01/2025	8,791.01	-	8,791.01
3/01/2026	8,791.01	-	8,791.01
6/01/2026	8,791.01	-	8,791.01
9/01/2026	8,791.01	-	8,791.01
12/01/2026	8,791.01	-	8,791.01
3/01/2027	8,791.01	-	8,791.01
6/01/2027	8,791.01	-	8,791.01
9/01/2027	8,791.01	-	8,791.01

Tomlinson Public Service District

Loan of \$1,353,815

0% Interest Rate, 40 Years

Closing Date: March 9, 2004

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total Pmt
12/01/2027	8,791.01	-	8,791.01
3/01/2028	8,791.01	-	8,791.01
6/01/2028	8,791.01	-	8,791.01
9/01/2028	8,791.01	-	8,791.01
12/01/2028	8,791.01	-	8,791.01
3/01/2029	8,791.01	-	8,791.01
6/01/2029	8,791.01	-	8,791.01
9/01/2029	8,791.01	-	8,791.01
12/01/2029	8,791.01	-	8,791.01
3/01/2030	8,791.01	-	8,791.01
6/01/2030	8,791.01	-	8,791.01
9/01/2030	8,791.01	-	8,791.01
12/01/2030	8,791.00	-	8,791.00
3/01/2031	8,791.00	-	8,791.00
6/01/2031	8,791.00	-	8,791.00
9/01/2031	8,791.00	-	8,791.00
12/01/2031	8,791.00	-	8,791.00
3/01/2032	8,791.00	-	8,791.00
6/01/2032	8,791.00	-	8,791.00
9/01/2032	8,791.00	-	8,791.00
12/01/2032	8,791.00	-	8,791.00
3/01/2033	8,791.00	-	8,791.00
6/01/2033	8,791.00	-	8,791.00
9/01/2033	8,791.00	-	8,791.00
12/01/2033	8,791.00	-	8,791.00
3/01/2034	8,791.00	-	8,791.00
6/01/2034	8,791.00	-	8,791.00
9/01/2034	8,791.00	-	8,791.00
12/01/2034	8,791.00	-	8,791.00
3/01/2035	8,791.00	-	8,791.00
6/01/2035	8,791.00	-	8,791.00
9/01/2035	8,791.00	-	8,791.00
12/01/2035	8,791.00	-	8,791.00
3/01/2036	8,791.00	-	8,791.00
6/01/2036	8,791.00	-	8,791.00
9/01/2036	8,791.00	-	8,791.00
12/01/2036	8,791.00	-	8,791.00
3/01/2037	8,791.00	-	8,791.00
6/01/2037	8,791.00	-	8,791.00
9/01/2037	8,791.00	-	8,791.00
12/01/2037	8,791.00	-	8,791.00
3/01/2038	8,791.00	-	8,791.00
6/01/2038	8,791.00	-	8,791.00
9/01/2038	8,791.00	-	8,791.00
12/01/2038	8,791.00	-	8,791.00
3/01/2039	8,791.00	-	8,791.00
6/01/2039	8,791.00	-	8,791.00

Tomlinson Public Service District

Loan of \$1,353,815

0% Interest Rate, 40 Years

Closing Date: March 9, 2004

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2039	8,791.00	-	8,791.00
12/01/2039	8,791.00	-	8,791.00
3/01/2040	8,791.00	-	8,791.00
6/01/2040	8,791.00	-	8,791.00
9/01/2040	8,791.00	-	8,791.00
12/01/2040	8,791.00	-	8,791.00
3/01/2041	8,791.00	-	8,791.00
6/01/2041	8,791.00	-	8,791.00
9/01/2041	8,791.00	-	8,791.00
12/01/2041	8,791.00	-	8,791.00
3/01/2042	8,791.00	-	8,791.00
6/01/2042	8,791.00	-	8,791.00
9/01/2042	8,791.00	-	8,791.00
12/01/2042	8,791.00	-	8,791.00
3/01/2043	8,791.00	-	8,791.00
6/01/2043	8,791.00	-	8,791.00
9/01/2043	8,791.00	-	8,791.00
12/01/2043	8,791.00	-	8,791.00
3/01/2044	8,791.00	-	8,791.00
Total	1,353,815.00	-	1,353,815.00

YIELD STATISTICS

Bond Year Dollars.....	\$28,230.80
Average Life.....	20.853 Years
Average Coupon.....	-
Net Interest Cost (NIC).....	-
True Interest Cost (TIC).....	1.88E-10
Bond Yield for Arbitrage Purposes.....	1.88E-10
All Inclusive Cost (AIC).....	1.88E-10

IRS FORM 8038

Net Interest Cost.....	-
Weighted Average Maturity.....	20.853 Years

Ferris, Baker Watts
West Virginia Public Finance Office

File = Tomlinson PSD Loans.sf-IF 2-20-04- SINGLE PURPOSE
2/20/2004 4:21 PM

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

03/03/04
904560.00002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOMLINSON PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2004 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. BR-1

\$669,500

KNOW ALL MEN BY THESE PRESENTS: That on this the 9th day of March, 2004, TOMLINSON PUBLIC SERVICE DISTRICT, a public service district, a public corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of SIX HUNDRED SIXTY-NINE THOUSAND FIVE HUNDRED DOLLARS (\$669,500), in annual installments on October 1 of each year, commencing October 1, 2006, 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 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 Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 of each year, commencing April 1, 2004, as set forth on Exhibit A attached hereto. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"): The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated March 9, 2004.

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 waterworks facilities of the Issuer (the "Project"); (ii) to pay capitalized interest on the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds and related costs.

The existing public waterworks 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 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on February 25, 2004, and a Supplemental Resolution duly adopted by the Issuer on February 25, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,353,815 (THE "SERIES 2004 A 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 2004 A Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2004 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2004 B Bond 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 on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2004 A Bonds; provided however, that so long as there exists in the Series 2004 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2004 A Bonds, an amount at least equal to the

requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in 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, TOMLINSON 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 on the day and
year first above written.

[SEAL]

SPECIMEN
Robert J. Hobb
Chairman

ATTEST:

Daniel Stevens
Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 9, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

Tomlinson Public Service District (West Virginia)

WDA Supplemental Fund Loan of \$669,500

5.0%, 40 Years

Closing Date: March 9, 2004

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
4/01/2004	-	-	2,045.69	2,045.69
10/01/2004	-	-	16,737.50	16,737.50
4/01/2005	-	-	16,737.50	16,737.50
10/01/2005	-	-	16,737.50	16,737.50
4/01/2006	-	-	16,737.50	16,737.50
10/01/2006	6,216.00	5.000%	16,737.50	22,953.50
4/01/2007	-	-	16,582.10	16,582.10
10/01/2007	6,527.00	5.000%	16,582.10	23,109.10
4/01/2008	-	-	16,418.93	16,418.93
10/01/2008	6,853.00	5.000%	16,418.93	23,271.93
4/01/2009	-	-	16,247.60	16,247.60
10/01/2009	7,196.00	5.000%	16,247.60	23,443.60
4/01/2010	-	-	16,067.70	16,067.70
10/01/2010	7,555.00	5.000%	16,067.70	23,622.70
4/01/2011	-	-	15,878.83	15,878.83
10/01/2011	7,933.00	5.000%	15,878.83	23,811.83
4/01/2012	-	-	15,680.50	15,680.50
10/01/2012	8,330.00	5.000%	15,680.50	24,010.50
4/01/2013	-	-	15,472.25	15,472.25
10/01/2013	8,746.00	5.000%	15,472.25	24,218.25
4/01/2014	-	-	15,253.60	15,253.60
10/01/2014	9,183.00	5.000%	15,253.60	24,436.60
4/01/2015	-	-	15,024.03	15,024.03
10/01/2015	9,643.00	5.000%	15,024.03	24,667.03
4/01/2016	-	-	14,782.95	14,782.95
10/01/2016	10,125.00	5.000%	14,782.95	24,907.95
4/01/2017	-	-	14,529.83	14,529.83
10/01/2017	10,631.00	5.000%	14,529.83	25,160.83
4/01/2018	-	-	14,264.05	14,264.05
10/01/2018	11,163.00	5.000%	14,264.05	25,427.05
4/01/2019	-	-	13,984.98	13,984.98
10/01/2019	11,721.00	5.000%	13,984.98	25,705.98
4/01/2020	-	-	13,691.95	13,691.95
10/01/2020	12,307.00	5.000%	13,691.95	25,998.95
4/01/2021	-	-	13,384.28	13,384.28
10/01/2021	12,922.00	5.000%	13,384.28	26,306.28
4/01/2022	-	-	13,061.23	13,061.23
10/01/2022	13,568.00	5.000%	13,061.23	26,629.23
4/01/2023	-	-	12,722.03	12,722.03
10/01/2023	14,247.00	5.000%	12,722.03	26,969.03
4/01/2024	-	-	12,365.85	12,365.85
10/01/2024	14,959.00	5.000%	12,365.85	27,324.85
4/01/2025	-	-	11,991.88	11,991.88
10/01/2025	15,707.00	5.000%	11,991.88	27,698.88
4/01/2026	-	-	11,599.20	11,599.20
10/01/2026	16,492.00	5.000%	11,599.20	28,091.20
4/01/2027	-	-	11,186.90	11,186.90

Tomlinson Public Service District (West Virginia)

WDA Supplemental Fund Loan of \$669,500

5.0%, 40 Years

Closing Date: March 9, 2004

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2027	17,317.00	5.000%	11,186.90	28,503.90
4/01/2028	-	-	10,753.98	10,753.98
10/01/2028	18,183.00	5.000%	10,753.98	28,936.98
4/01/2029	-	-	10,299.40	10,299.40
10/01/2029	19,092.00	5.000%	10,299.40	29,391.40
4/01/2030	-	-	9,822.10	9,822.10
10/01/2030	20,046.00	5.000%	9,822.10	29,868.10
4/01/2031	-	-	9,320.95	9,320.95
10/01/2031	21,049.00	5.000%	9,320.95	30,369.95
4/01/2032	-	-	8,794.73	8,794.73
10/01/2032	22,101.00	5.000%	8,794.73	30,895.73
4/01/2033	-	-	8,242.20	8,242.20
10/01/2033	23,206.00	5.000%	8,242.20	31,448.20
4/01/2034	-	-	7,662.05	7,662.05
10/01/2034	24,367.00	5.000%	7,662.05	32,029.05
4/01/2035	-	-	7,052.88	7,052.88
10/01/2035	25,585.00	5.000%	7,052.88	32,637.88
4/01/2036	-	-	6,413.25	6,413.25
10/01/2036	26,864.00	5.000%	6,413.25	33,277.25
4/01/2037	-	-	5,741.65	5,741.65
10/01/2037	28,207.00	5.000%	5,741.65	33,948.65
4/01/2038	-	-	5,036.48	5,036.48
10/01/2038	29,618.00	5.000%	5,036.48	34,654.48
4/01/2039	-	-	4,296.03	4,296.03
10/01/2039	31,099.00	5.000%	4,296.03	35,395.03
4/01/2040	-	-	3,518.55	3,518.55
10/01/2040	32,654.00	5.000%	3,518.55	36,172.55
4/01/2041	-	-	2,702.20	2,702.20
10/01/2041	34,286.00	5.000%	2,702.20	36,988.20
4/01/2042	-	-	1,845.05	1,845.05
10/01/2042	36,001.00	5.000%	1,845.05	37,846.05
4/01/2043	-	-	945.03	945.03
10/01/2043	37,801.00	5.000%	945.03	38,746.03
Total	669,500.00	-	891,007.59	1,560,507.59

Ferris, Baker Watts
West Virginia Public Finance Office

File = Tomlinson PSD Loans.sf-WDA 2-23-04- SINGLE PURPOSE
2/24/2004 2:07 PM

ASSIGNMENT

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

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

Dated: _____, _____

In the presence of:

03/03/04
904560.00002

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

7/15/2010

Entered: June 25, 2010

CASE NO. 10-0060-PWD-PC

TOMLINSON PUBLIC SERVICE DISTRICT

Petition for consent and approval to borrow
funds to purchase radio read meters.

RECOMMENDED DECISION

On January 25, 2010, Tomlinson Public Service District (District), a public water utility, New Manchester, Hancock County, filed a petition with the Public Service Commission, pursuant to *West Virginia Code (Code)* §16-13A-25, seeking consent and approval to borrow \$100,000 to purchase radio read meters, the computer equipment needed to operate and use those meters and the annual service and support contracts associated with the purchase.

On February 25, 2010, Staff Attorney Ronald E. Robertson, Jr., filed the Initial Joint Staff Memorandum, attaching the February 16, 2010 Utilities and Engineering Division's Initial Memorandum from Utilities Analyst Sandy Mitchell, Utilities Division, and Technical Analyst Joseph Marakovits, Engineering Division indicating that, once it had completed its investigation, Commission Staff would submit a substantive recommendation. Staff was in need of additional information from the District before it could complete its investigation.

On March 10, 2010, the Commission entered the Commission Referral Order, referring this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before August 23, 2010.

On April 14, 2010, the District filed a letter from its Manager, David R. Stevens, indicating that the District was unable to furnish the information needed by Staff at that time, since the funding source that the District was relying on was not available as previously thought.

On April 19, 2010 Staff Attorney Robertson submitted the Final Joint Staff Memorandum, attaching the April 14, 2010 Utilities and Engineering Division's Final Recommendation from Ms. Mitchell and Mr. Marakovits. Finding in its investigation that the District is unable to provide proof of its ability to borrow the money, identify the source of such borrowing or otherwise provide the information needed by Staff to make a final recommendation, Staff recommended that the petition be dismissed.

On June 1, 2010, the District, who had filed the petition without benefit of legal counsel, filed a formal response to Staff's recommendation of dismissal, including the fact that, as of May 27, 2010, it was now represented by counsel. The June 1, 2010 letter attached documents which counsel believes are proper responses Staff's previous request for information. Among other things, the District filed a cost estimate for the radio read meter system; affidavits of publication evidencing that a bid was advertised for the public to bid on the project; and a copy of the only bid received. The District acknowledged that it had not obtained a firm commitment letter from a lending institution, but believed it would obtain a commitment on or about June 15, 2010, for a bank to loan the District \$100,000 for a term of 15 years and at an interest rate not to exceed 6%.

Responding to all of the above, by the June 9, 2010 Procedural Order, the Administrative Law Judge (ALJ) adopted a procedural schedule to process and resolve this matter, including a Wednesday, June 30, 2010 hearing date.

On June 24, 2010, the District filed a letter attaching a loan commitment from 1st National Community Bank to the District for \$100,000, with a 15-year fixed tax-free interest rate of 5% and secured by a "1st lien pledge of the net revenues of the District's water system on a parity with the District's existing outstanding water revenue bonds."

Also on June 24, 2010, Staff Attorney Robertson submitted the Further Final Joint Staff Memorandum, attaching the June 24, 2010 Utilities and Engineering Divisions' Joint Further Final Recommendation from Ms. Mitchell and Mr. Marakovits. Together, these Memoranda comprise Commission Staff's new final substantive recommendation in this matter. After reviewing the new information provided by the District, including the loan commitment, Staff opined that, under the terms of the proposed loan, the total yearly debt service would be approximately \$9,490. Staff noted that, in another case, the Commission had directed that the District deposit \$19,600 annually into an escrow account to be used only for the purpose stated in this case, i.e., to replace meters. Staff opined that, since the escrow account would fully fund the debt service required on the proposed loan, the Commission should approve the loan and require that the District pay the \$9,490 debt service with the escrow funds and continue to deposit the remainder of the annual amount of approximately \$10,100 into the escrow account in order to further fund meter replacement. Staff recommended that the Commission approve the petition and approve the loan without specifically approving all of the terms and conditions and cancel the hearing.

On June 25, 2010, the District filed another letter stating that it had no objections to Commission Staff's final substantive recommendation.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, as evidenced by the response to Staff's final recommendation, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing. Since entering this Recommended Decision obviates the necessity for the procedural schedule established by the June 9, 2010 Procedural Order, including the Wednesday, June 30, 2010 hearing date, the ALJ has canceled the procedural schedule by a separate Order issued simultaneously herewith on this day.

The ALJ holds that, since the District has obtained a loan commitment from 1st National Community Bank to the District for \$100,000, with a 15-year fixed tax-free interest rate of 5% and secured by a "1st lien pledge of the net revenues of the District's water system on a parity with the District's existing outstanding water revenue bonds," since Commission Staff has recommended that the Commission grant the petition and approve the loan without specifically approving the terms of the loan; and since the District agrees with Staff's recommendation, he will grant the petition as recommended by Staff.

FINDINGS OF FACT

1. Tomlinson Public Service District filed a petition with the Commission, pursuant to *Code* §16-13A-25, seeking consent and approval to borrow \$100,000 to purchase radio read meters, the computer equipment needed to operate and use those meters and the annual service and support contracts associated with the purchase. (See, January 25, 2010 petition).

2. The District filed a letter attaching a loan commitment from 1st National Community Bank to the District for \$100,000, with a 15-year fixed tax-free interest rate of 5% and secured by a "1st lien pledge of the net revenues of the District's water system on a parity with the District's existing outstanding water revenue bonds." (See, letter filed June 24, 2010).

3. Under the terms of the proposed loan, the total yearly debt service would be approximately \$9,490. The Commission has directed the District in a separate case to deposit \$19,600 annually into an escrow account to be used only for the purpose stated in the petition, i.e., to replace meters. The escrow account would fully fund the debt service required on the proposed loan. Staff recommended that the Commission approve the loan and require that the District pay the \$9,490 debt service with the escrow funds and continue to deposit the remainder of the annual amount of approximately \$10,100 into the escrow account in order to further fund meter replacement. Staff also recommended that the Commission approve the petition and approve the loan without specifically approving all of the terms and conditions and cancel the hearing. (See, Further Final Joint Staff Memorandum, with attachment, filed on June 24, 2010).

4. The District indicated that it has no objections to Commission Staff's final substantive recommendation. (See, June 25, 2010 letter).

CONCLUSION OF LAW

It is reasonable to grant the petition and approve the loan without specifically approving the terms and conditions of the loan.

ORDER

IT IS, THEREFORE, ORDERED that the petition filed with the Commission on January 25, 2010, by Tomlinson Public Service District, pursuant to *Code* §16-13A-25, for the Commission's consent and approval to borrow \$100,000 to purchase radio read meters, the computer equipment needed to operate and use those meters and the annual service and support contracts associated with the purchase, be, and hereby is, granted.

IT IS FURTHER ORDERED that the loan described in the letter of commitment filed with the Commission on June 24, 2010, by Tomlinson Public Service District, from 1st National Community Bank to the District for \$100,000, with a 15-year fixed tax-free interest rate of 5% be, and hereby is, approved, without specifically approving the terms and conditions of the loan.

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

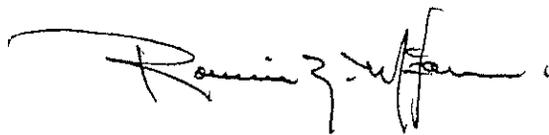
IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery; by electronic service upon all parties of record who have filed an e-service agreement with the Commission; and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's recommended decision by filing an appropriate petition in writing with the Executive Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver

operate to make any Administrative Law Judge's recommended decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
100060ab.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 12th day of November 2009.

CASE NO. 09-1418-PWD-30B

TOMLINSON RUN PUBLIC SERVICE DISTRICT,
a public utility, New Manchester, Hancock County.

Rule 30B application to increase rates to offset the increased costs of purchased water from the City of New Cumberland.

COMMISSION ORDER

On August 24, 2009, the Tomlinson Run Public Service District ("District") filed a request to increase its water rates and charges, pursuant to Rule 30-B of the Commission's Rules for the Construction and Filing of Tariffs ("Tariff Rules"), 150 C.S.R. Series 2. The District seeks a rate increase to offset an increase in the cost for purchased water provided by the City of New Cumberland ("City"). The City increased its resale water rates from \$2.40 per thousand gallons of metered water usage to \$2.65 per thousand gallons of metered water usage, effective July 30, 2009.

On September 16, 2009, Staff filed an Initial and Final Joint Staff Memorandum recommending that the Commission approve a rate increase of \$0.30 per thousand gallons, from \$7.33 to \$7.63 per thousand gallons of metered water usage, resulting in a 4.3% increase for the customers over previous rates. Staff further recommended an increase in the leak adjustment rate from \$3.00 per thousand gallons to \$3.27 per thousand gallons of metered water usage.

On October 7, 2009, the Commission approved interim rates as recommended by Staff, including an increased leak adjustment rate, for the District to offset increased purchased water costs. The Commission also required the District to provide notice to its customers of the interim rates. The Commission order advised that if substantial protests were received in response to such publication, and the Commission found, upon further review, that the interim rates were not justified, refunds would be ordered.

The District published the required notice on October 9, 2009, in The Weirton Daily Times. See, Affidavit of Publication.

To date, no protests have been filed with the Commission.

DISCUSSION

The Commission will approve as final rates the interim rates, previously approved by the October 7, 2009 Commission Order, because no protests were filed in response to the notice and Staff recommended the approval of the 30B increment as the District's final rates.

FINDINGS OF FACT

1. The District applied to increase its water rates and charges, pursuant to Tariff Rule 30B, to offset an increase from the City. See, August 24, 2009 Application.
2. Staff recommended increases in the rates and the leak adjustment rate of the District. See, September 16, 2009 Staff Memorandum.
3. The Commission approved interim rates and required the District to provide notice to its customers of the interim rates. See, October 7, 2009 Commission Order.
4. The District gave proper notice of the application. See, October 19, 2009 Affidavit of Publication.
5. No protests have been filed with the Commission. See case file generally.

CONCLUSION OF LAW

The Commission will approve the 30B increment and the leak adjustment previously approved as interim rates as the final rates for the District because no protests were filed in response to proper notice, and Staff recommended the approval of the 30B increments as the District's final rates.

ORDER

IT IS THEREFORE ORDERED that the Commission approves, as final rates, the use of \$7.33 to \$7.63 per thousand gallons of metered water usage as the 30B increment and \$3.00 to \$3.27 per thousand gallons of metered water usage as the leak adjustment rate for the Tomlinson Public Service District. These rates appear in the approved tariff included as Attachment A.

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

IT IS FURTHER ORDERED that this proceeding be removed from the Commission docket of active cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this Order upon all parties of record by United States Mail, and upon Commission Staff by hand delivery.

A True Copy, Teste:


Sandra Squire
Executive Secretary

LHG/lld
091418ca.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

TOMLINSON PUBLIC SERVICE DISTRICT
CASE NO. 09-1418-PWD-30B

COMMISSION APPROVED TARIFF

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served excluding areas of Mayhew Road, Frankfort Road, Hardin Run Road and Ross Road.

AVAILABILITY

Available for general domestic, commercial and industrial water service.

(I) RATES

First	3,000 gallons used per month	\$7.63 per 1,000 gallons
Next	3,000 gallons used per month	\$6.10 per 1,000 gallons
Next	4,000 gallons used per month	\$6.10 per 1,000 gallons
Next	10,000 gallons used per month	\$5.98 per 1,000 gallons
Over	20,000 gallons used per month	\$5.98 per 1,000 gallons

(I) MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed:

5/8	inch meter	\$ 21.99 per month
3/4	inch meter	\$ 32.99 per month
1	inch meter	\$ 54.98 per month
1 - 1/5	inch meter	\$ 109.95 per month
2	inch meter	\$ 175.92 per month
3	inch meter	\$ 351.84 per month
4	inch meter	\$ 549.75 per month
6	inch meter	\$ 1,099.50 per month

(N) The above minimum charges are subject to an additional \$0.30 per 1,000 gallons used per month.

TAP FEE

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

A tap fee of \$350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

DELAYED PAYMENT PENALTY

The above tariff 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.

RECONNECTION CHARGE

\$25.00

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

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's premises, in lieu of a discontinuance of service for non-payment, an administrative fee of \$25.00 shall also be collected in addition to the delinquent water bill.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

(I) LEAK ADJUSTMENT INCREMENT

\$3.27 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12ths of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE IIAPPLICABILITY

Applicable within the areas of Mayhew Road, Frankfort Road, Hardin Run Road and Ross Road.

AVAILABILITY

Available for general domestic, commercial and industrial service.

(I) RATES

First	3,000 gallons used per month	\$ 11.47 per 1,000 gallons
Next	3,000 gallons used per month	\$ 7.80 per 1,000 gallons
Next	4,000 gallons used per month	\$ 7.46 per 1,000 gallons
Next	10,000 gallons used per month	\$ 7.04 per 1,000 gallons
Over	20,000 gallons used per month	\$ 6.40 per 1,000 gallons

(I) MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed:

5/8	inch meter	\$ 33.51 per month
3/4	inch meter	\$ 50.27 per month
1	inch meter	\$ 83.78 per month
1 - 1/5	inch meter	\$ 167.55 per month
2	inch meter	\$ 268.08 per month
3	inch meter	\$ 536.16 per month
4	inch meter	\$ 837.75 per month
6	inch meter	\$ 1,675.50 per month

(N) The above minimum charges are subject to an additional \$0.30 per 1,000 gallons used per month.

TAP FEE

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

A tap fee of \$350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

DELAYED PAYMENT PENALTY

The above tariff 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.

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\$3.27 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12ths of the average annual usage of the applicant's specific customer class, whichever is greater.

- (I) Indicates increase
- (N) Indicates new item

TOMLINSON PUBLIC SERVICE DISTRICT, a public utility

OF

NEW MANCHESTER, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

WATER

at Clay Magisterial District, Hancock County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION

of

WEST VIRGINIA

RECEIVED
09 DEC 17 AM 9:57
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Issued December 2, 2009

Effective for all bills rendered on or after November 12, 2009
or as otherwise provided herein

Issued by authority of an Order of the
Public Service Commission of West Virginia
in Case No. 09-1418-PWD-30B dated November 12, 2009
or as otherwise provided herein.

Issued by Tomlinson Public Service District, a public utility

By David R. Stevens
Manager
Title

RULES AND REGULATIONS

- I. Rules and Regulations for the Government of Water Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

SCHEDULE IAPPLICABILITY

Applicable within the entire territory served excluding areas of Mayhew Road, Frankfort Road, Hardin Run Road and Ross Road.

AVAILABILITY

Available for general domestic, commercial and industrial water service.

RATES

First	3,000 gallons used per month	\$7.63 per 1,000 gallons
Next	3,000 gallons used per month	\$6.10 per 1,000 gallons
Next	4,000 gallons used per month	\$6.10 per 1,000 gallons
Next	10,000 gallons used per month	\$5.98 per 1,000 gallons
Over	20,000 gallons used per month	\$5.98 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed:

5/8 inch meter	\$ 21.99 per month
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1 inch meter	\$ 54.98 per month
1 - 1/5 inch meter	\$ 109.95 per month
2 inch meter	\$ 175.92 per month
3 inch meter	\$ 351.84 per month
4 inch meter	\$ 549.75 per month
6 inch meter	\$1,099.50 per month

The above minimum charges are subject to an additional \$0.30 per 1,000 gallons used per month.

TAP FEE

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

A tap fee of \$350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

SCHEDULE I (Continued)

DELAYED PAYMENT PENALTY

The above tariff 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.

RECONNECTION CHARGE

\$25.00

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

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's premises, in lieu of a discontinuance of service for non-payment, an administrative fee of \$25.00 shall also be collected in addition to the delinquent water bill.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

LEAK ADJUSTMENT INCREMENT

\$3.27 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$100 or 2/12ths of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE IIAPPLICABILITY

Applicable within the areas of Mayhew Road, Frankfort Road, Hardin Run Road and Ross Road.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES

First	3,000 gallons used per month	\$11.47 per 1,000 gallons
Next	3,000 gallons used per month	\$ 7.80 per 1,000 gallons
Next	4,000 gallons used per month	\$ 7.46 per 1,000 gallons
Next	5,000 gallons used per month	\$ 7.04 per 1,000 gallons
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The above minimum charges are subject to an additional \$0.30 per 1,000 gallons used per month.

TAP FEE

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

A tap fee of \$100.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(I) Indicates increase

(N) Indicates new

SCHEDULE II (Continued)

DELAYED PAYMENT PENALTY

The above 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 it will be collected only once for each bill where it is appropriate.

RECONNECTING CHARGE

\$25.00

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

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's request, in lieu of a discontinuance of service for nonpayment, an administrative fee of \$25.00 shall also be collected in addition to the delinquent water bill.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

LEAK ADJUSTMENT INCREMENT

\$3.27 per 100 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of 10 or 2/12ths of the average annual usage of the applicant's specific customer, whichever is greater.

Tomlinson PSD

	Total	Bank Loan	PSD
A. Cost of Project			
1 Radio Read Meters	148,600	96,500	52,100
2 Technical services	0	0	0
3 Legal	0	0	0
4 Accounting	500	0	500
5 Sites & Lands	0	0	0
6 Administration	0	0	0
7 Contingency	0	0	0
8 Sub Total (lines 1 through 7)	149,100	96,500	52,600
B. Cost of Financing			
9 Reserves	0	0	0
10 Bank Fee	1,000	1,000	0
11 Bond Counsel	2,500	2,500	0
12 Cost of Financing (Lines 9 through 11)	3,500	3,500	0
13 Total Project Cost (line 8 plus Line 12)	152,600	100,000	52,600
C. Sources of Funds			
14 Federal Grants	0	0	0
15 State Grants	0	0	0
16 Other Sources (PSD)	52,600	0	52,600
17 Total Grants	52,600	0	52,600
18 Size of Bond Issue	100,000	100,000	0


 Tomlinson PSD

CLOSING MEMORANDUM

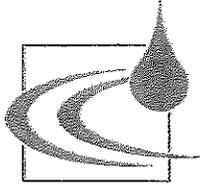
To: Financing Team
From: John C. Stump, Esquire
Date: August 6, 2010
Re: Tomlinson Public Service District
Water Revenue Bonds, Series 2010 A (1st National Community Bank)

1. **DISBURSEMENTS TO TOMLINSON PUBLIC SERVICE DISTRICT:**

Payor: 1st National Community Bank
Amount: \$99,000
Form: Bank Deposit
Bank: 1st National Community Bank, 16924 St. Clair Avenue,
East Liverpool, Ohio 43920
Acct. No.: 300405158
Contact: Mike Palmer 330.382.7033
Account: Series 2010 A Bonds Construction Trust Fund

2. **DISBURSEMENTS TO 1ST NATIONAL COMMUNITY BANK:**

Payor: 1st National Community Bank
Amount: \$1,000
Form: Internal transfer
Bank: 1st National Community Bank
Purpose: Bank fee



WEST VIRGINIA
Water Development Authority

Celebrating 34 Years of Service 1974 - 2008

August 6, 2010

TOMLINSON PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Teed and Associates, CPA, the independent certified public accountant, and the opinion of bond counsel, Steptoe & Johnson PLLC, that Tomlinson Public Service District (the "Issuer") has met the coverage and parity requirements for issuance of parity bonds, 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, hereby consents to the issuance of the Water Revenue Bonds, Series 2010 A (1st National Community Bank) in the original aggregate principal amount of \$100,000 (the "Series 2010 A Bonds"), by the Issuer, under the terms of the resolution authorizing the Series 2010 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated March 9, 2004, issued in the original aggregate principal amount of \$1,353,815 (the "Series 2004 A Bonds") and Water Revenue Bonds, Series 2004 B (West Virginia Water Development Authority) dated March 9, 2004, issued in the original aggregate principal amount of \$669,500 (the "Series 2004 B Bonds").


Authorized Representative

904560.00005

CH5396459

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wvda.org

26

TOMLINSON PUBLIC SERVICE DISTRICT

**RESOLUTION APPROVING INVOICES RELATING TO METERS AND OTHER SERVICES
FOR THE PROPOSED WATER METER PROJECT AND
AUTHORIZING PAYMENT THEREOF,**

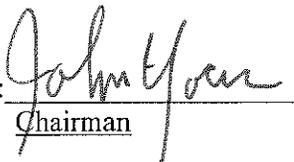
WHEREAS, the Tomlinson Public Service District has reviewed the invoices attached hereto and incorporated herein by reference relation to the Water Meter Project funded by the 1st National Community Bank (the "Bank") and the Tomlinson Public Service District (the "TPSD") and find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the Project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED The Tomlinson Public Service District by as follows:
There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	BANK	TPSD
Steptoe & Johnson PLLC	2,500.00	2,500.00	0.00
1 st National Community Bank	1,000.00	1,000.00	0.00
Total	3,500.00	3,500.00	0.00

ADOPTED BY the Tomlinson Public Service District, at the meeting held on the 28th day of July, 2010.

By: 
Its: Chairman

Contact: David Stevens 304.387.9587



Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information
(304) 353-8196 Phone
(304) 353-8181 Fax
John.Stump@steptoe-johnson.com

August 10, 2010

Tomlinson Public Service District
Water Revenue Bonds, Series 2010 A
(1st National Community Bank)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

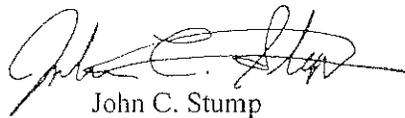
Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed envelope.

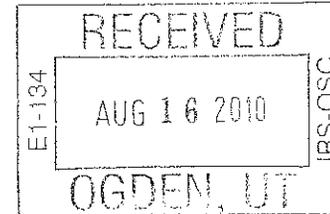
Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,


John C. Stump

JCS/pk
Enclosure



904560.00005

5446981

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)

See separate Instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority			If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Tomlinson Public Service District	2 Issuer's employer identification number 55-0486725			
3 Number and street (or P.O. box if mail is not delivered to street address) Post Office Box 113	Room/suite	4 Report number 3 2010-01		
5 City, town, or post office, state, and ZIP code New Manchester, West Virginia 26056		6 Date of issue 08/06/2010		
7 Name of issue Water Revenue Bonds, Series 2010 A		8 CUSIP number N/A		
9 Name and title of officer or legal representative whom the IRS may call for more information David Stevens, Manager		10 Telephone number of officer or legal representative (304) 387.9587		

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	15 100,000
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe <input type="checkbox"/>	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANS, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 08/01/2025	\$ 100,000	\$ 100,000	8.45 years	5 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 100,000
24 Proceeds used for bond issuance costs (including underwriters' discount)	24 3,500
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29 3,500
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 96,500

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called	_____
34 Enter the date(s) the refunded bonds were issued	_____

Part VI Miscellaneous	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	_____
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a -0-
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer _____ and the date of the issue _____	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input checked="" type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here
 Signature of issuer's authorized representative: *John Yoon* Date: *8-6-10*
 Chairman Type or print name and title