$1,358,702
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS (BARKER'S RIDGE – PH. II), SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Closing Date: September 13, 2018

IC-1
(07/13)

# LOAN AGREEMENT

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

EASTERN WYOMING PUBLIC SERVICE DISTRICT
(2016W-1667)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and

incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

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

## ARTICLE I
## Definitions

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II
## The Project and the System

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

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

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

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

2.5 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority and the Council, acting by and through their directors or their duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority and the Council such documents and information as they may reasonably require

in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

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

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

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

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The

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

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

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

2.13 The Governmental Agency shall serve the additional customers at the location(s) as set forth in Schedule X. The Governmental Agency shall not reduce the amount of additional customers served by the project without the prior written approval of the WDA Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers added to the System.

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

## ARTICLE III
## Conditions to Loan;
## Issuance of Local Bonds

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

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

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

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

have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit A;

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

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

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, including compliance with Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

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

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

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

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

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

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

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

(xii) That the Governmental Agency shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof;

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

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

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

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

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

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

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

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

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

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

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

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

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

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

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

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

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

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

ARTICLE V
Certain Covenants of the Governmental Agency;
Imposition and Collection of User Charges;
Payments To Be Made by
Governmental Agency to the Authority

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

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

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

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

ARTICLE VI
Other Agreements of the
Governmental Agency

6.1 The Governmental Agency hereby warrants and represents that all information provided to the Authority and the Council in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and the Council shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and the Council by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any

commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act or this Loan Agreement.

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

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

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

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

## ARTICLE VII
## Miscellaneous

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

7.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority and the Council.

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

EASTERN WYOMING PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: September 13, 2018

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: September 13, 2018

Attest:

_____
Its: Authorized Officer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the

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

successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; (xi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
1009 Bullitt Street
Charleston, WV 25301

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
**Name of Person Completing Form**

_____
**Address**

_____
**Telephone**

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

| | | | |
|---|---|---|---|
| Sinking Fund: | | | |
| Interest | $ | | |
| Principal | | $ | |
| Total: | | | $ |
| Reserve Account: | | | $ |

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds

| | |
|---|---|
| Principal Amount of Local Bonds | $1,358,702 |
| Purchase Price of Local Bonds | $1,358,702 |

The Local Bonds shall bear interest at a rate of 2% per annum. Commencing June 1, 2020, principal of and interest on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

(i) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000;

(ii) Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000;

(iii) Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000;

(iv) Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original aggregate principal amount of $1,000,000;

(v) Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original aggregate principal amount of $250,000;

(vi) Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), dated April 16, 2015, issued in the original aggregate principal amount of $345,000;

(vii) Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated March 16, 2016, issued in the original aggregate principal amount of $1,278,826; and

(viii) Water Revenue Bonds, Series 2016 B (West Virginia Infrastructure Fund), dated October 18, 2016, issued in the original aggregate principal amount of $156,917.

Number of New Users: Approximately 63
Location: Barkers Ridge, Barkers Creek, Milam Ridge and surrounding areas of Wyoming County

# SCHEDULE Y
# DEBT SERVICE SCHEDULE

**Bond Debt Service**

*Eastern Wyoming PSD*

*IF*

*$1,358,702*

*2% Interest Rate*

*30 Years*

Dated Date 9/13/2018

Delivery Date 9/13/2018

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 6/1/2020 | 8,291 | 2.000% | 6,793.51 | 15,084.51 |
| 9/1/2020 | 8,332 | 2.000% | 6,752.06 | 15,084.06 |
| 12/1/2020 | 8,374 | 2.000% | 6,710.40 | 15,084.40 |
| 3/1/2021 | 8,416 | 2.000% | 6,668.53 | 15,084.53 |
| 6/1/2021 | 8,458 | 2.000% | 6,626.45 | 15,084.45 |
| 9/1/2021 | 8,500 | 2.000% | 6,584.16 | 15,084.16 |
| 12/1/2021 | 8,543 | 2.000% | 6,541.66 | 15,084.66 |
| 3/1/2022 | 8,585 | 2.000% | 6,498.94 | 15,083.94 |
| 6/1/2022 | 8,628 | 2.000% | 6,456.02 | 15,084.02 |
| 9/1/2022 | 8,672 | 2.000% | 6,412.88 | 15,084.88 |
| 12/1/2022 | 8,715 | 2.000% | 6,369.52 | 15,084.52 |
| 3/1/2023 | 8,758 | 2.000% | 6,325.94 | 15,083.94 |
| 6/1/2023 | 8,802 | 2.000% | 6,282.15 | 15,084.15 |
| 9/1/2023 | 8,846 | 2.000% | 6,238.14 | 15,084.14 |
| 12/1/2023 | 8,891 | 2.000% | 6,193.91 | 15,084.91 |
| 3/1/2024 | 8,935 | 2.000% | 6,149.46 | 15,084.46 |
| 6/1/2024 | 8,980 | 2.000% | 6,104.78 | 15,084.78 |
| 9/1/2024 | 9,025 | 2.000% | 6,059.88 | 15,084.88 |
| 12/1/2024 | 9,070 | 2.000% | 6,014.76 | 15,084.76 |
| 3/1/2025 | 9,115 | 2.000% | 5,969.41 | 15,084.41 |
| 6/1/2025 | 9,161 | 2.000% | 5,923.83 | 15,084.83 |
| 9/1/2025 | 9,206 | 2.000% | 5,878.03 | 15,084.03 |
| 12/1/2025 | 9,252 | 2.000% | 5,832.00 | 15,084.00 |
| 3/1/2026 | 9,299 | 2.000% | 5,785.74 | 15,084.74 |
| 6/1/2026 | 9,345 | 2.000% | 5,739.24 | 15,084.24 |
| 9/1/2026 | 9,392 | 2.000% | 5,692.52 | 15,084.52 |
| 12/1/2026 | 9,439 | 2.000% | 5,645.56 | 15,084.56 |
| 3/1/2027 | 9,486 | 2.000% | 5,598.36 | 15,084.36 |
| 6/1/2027 | 9,533 | 2.000% | 5,550.93 | 15,083.93 |
| 9/1/2027 | 9,581 | 2.000% | 5,503.27 | 15,084.27 |
| 12/1/2027 | 9,629 | 2.000% | 5,455.36 | 15,084.36 |
| 3/1/2028 | 9,677 | 2.000% | 5,407.22 | 15,084.22 |
| 6/1/2028 | 9,726 | 2.000% | 5,358.83 | 15,084.83 |
| 9/1/2028 | 9,774 | 2.000% | 5,310.20 | 15,084.20 |
| 12/1/2028 | 9,823 | 2.000% | 5,261.33 | 15,084.33 |
| 3/1/2029 | 9,872 | 2.000% | 5,212.22 | 15,084.22 |
| 6/1/2029 | 9,922 | 2.000% | 5,162.86 | 15,084.86 |
| 9/1/2029 | 9,971 | 2.000% | 5,113.25 | 15,084.25 |
| 12/1/2029 | 10,021 | 2.000% | 5,063.39 | 15,084.39 |
| 3/1/2030 | 10,071 | 2.000% | 5,013.29 | 15,084.29 |
| 6/1/2030 | 10,121 | 2.000% | 4,962.93 | 15,083.93 |
| 9/1/2030 | 10,172 | 2.000% | 4,912.33 | 15,084.33 |
| 12/1/2030 | 10,223 | 2.000% | 4,861.47 | 15,084.47 |

## Bond Debt Service

*Eastern Wyoming PSD*

*IF*

*$1,358,702*

*2% Interest Rate*

*30 Years*

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 3/1/2031 | 10,274 | 2.000% | 4,810.35 | 15,084.35 |
| 6/1/2031 | 10,325 | 2.000% | 4,758.98 | 15,083.98 |
| 9/1/2031 | 10,377 | 2.000% | 4,707.36 | 15,084.36 |
| 12/1/2031 | 10,429 | 2.000% | 4,655.47 | 15,084.47 |
| 3/1/2032 | 10,481 | 2.000% | 4,603.33 | 15,084.33 |
| 6/1/2032 | 10,533 | 2.000% | 4,550.92 | 15,083.92 |
| 9/1/2032 | 10,586 | 2.000% | 4,498.26 | 15,084.26 |
| 12/1/2032 | 10,639 | 2.000% | 4,445.33 | 15,084.33 |
| 3/1/2033 | 10,692 | 2.000% | 4,392.13 | 15,084.13 |
| 6/1/2033 | 10,746 | 2.000% | 4,338.67 | 15,084.67 |
| 9/1/2033 | 10,799 | 2.000% | 4,284.94 | 15,083.94 |
| 12/1/2033 | 10,853 | 2.000% | 4,230.95 | 15,083.95 |
| 3/1/2034 | 10,908 | 2.000% | 4,176.68 | 15,084.68 |
| 6/1/2034 | 10,962 | 2.000% | 4,122.14 | 15,084.14 |
| 9/1/2034 | 11,017 | 2.000% | 4,067.33 | 15,084.33 |
| 12/1/2034 | 11,072 | 2.000% | 4,012.25 | 15,084.25 |
| 3/1/2035 | 11,128 | 2.000% | 3,956.89 | 15,084.89 |
| 6/1/2035 | 11,183 | 2.000% | 3,901.25 | 15,084.25 |
| 9/1/2035 | 11,239 | 2.000% | 3,845.33 | 15,084.33 |
| 12/1/2035 | 11,295 | 2.000% | 3,789.14 | 15,084.14 |
| 3/1/2036 | 11,352 | 2.000% | 3,732.66 | 15,084.66 |
| 6/1/2036 | 11,409 | 2.000% | 3,675.90 | 15,084.90 |
| 9/1/2036 | 11,466 | 2.000% | 3,618.86 | 15,084.86 |
| 12/1/2036 | 11,523 | 2.000% | 3,561.53 | 15,084.53 |
| 3/1/2037 | 11,580 | 2.000% | 3,503.91 | 15,083.91 |
| 6/1/2037 | 11,638 | 2.000% | 3,446.01 | 15,084.01 |
| 9/1/2037 | 11,697 | 2.000% | 3,387.82 | 15,084.82 |
| 12/1/2037 | 11,755 | 2.000% | 3,329.34 | 15,084.34 |
| 3/1/2038 | 11,814 | 2.000% | 3,270.56 | 15,084.56 |
| 6/1/2038 | 11,873 | 2.000% | 3,211.49 | 15,084.49 |
| 9/1/2038 | 11,932 | 2.000% | 3,152.13 | 15,084.13 |
| 12/1/2038 | 11,992 | 2.000% | 3,092.47 | 15,084.47 |
| 3/1/2039 | 12,052 | 2.000% | 3,032.51 | 15,084.51 |
| 6/1/2039 | 12,112 | 2.000% | 2,972.25 | 15,084.25 |
| 9/1/2039 | 12,173 | 2.000% | 2,911.69 | 15,084.69 |
| 12/1/2039 | 12,234 | 2.000% | 2,850.82 | 15,084.82 |
| 3/1/2040 | 12,295 | 2.000% | 2,789.65 | 15,084.65 |
| 6/1/2040 | 12,356 | 2.000% | 2,728.18 | 15,084.18 |
| 9/1/2040 | 12,418 | 2.000% | 2,666.40 | 15,084.40 |
| 12/1/2040 | 12,480 | 2.000% | 2,604.31 | 15,084.31 |
| 3/1/2041 | 12,543 | 2.000% | 2,541.91 | 15,084.91 |
| 6/1/2041 | 12,605 | 2.000% | 2,479.19 | 15,084.19 |
| 9/1/2041 | 12,668 | 2.000% | 2,416.17 | 15,084.17 |
| 12/1/2041 | 12,732 | 2.000% | 2,352.83 | 15,084.83 |
| 3/1/2042 | 12,795 | 2.000% | 2,289.17 | 15,084.17 |
| 6/1/2042 | 12,859 | 2.000% | 2,225.19 | 15,084.19 |
| 9/1/2042 | 12,924 | 2.000% | 2,160.90 | 15,084.90 |

## Bond Debt Service

*Eastern Wyoming PSD*

*IF*

*$1,358,702*

*2% Interest Rate*

*30 Years*

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 12/1/2042 | 12,988 | 2.000% | 2,096.28 | 15,084.28 |
| 3/1/2043 | 13,053 | 2.000% | 2,031.34 | 15,084.34 |
| 6/1/2043 | 13,118 | 2.000% | 1,966.07 | 15,084.07 |
| 9/1/2043 | 13,184 | 2.000% | 1,900.48 | 15,084.48 |
| 12/1/2043 | 13,250 | 2.000% | 1,834.56 | 15,084.56 |
| 3/1/2044 | 13,316 | 2.000% | 1,768.31 | 15,084.31 |
| 6/1/2044 | 13,383 | 2.000% | 1,701.73 | 15,084.73 |
| 9/1/2044 | 13,450 | 2.000% | 1,634.82 | 15,084.82 |
| 12/1/2044 | 13,517 | 2.000% | 1,567.57 | 15,084.57 |
| 3/1/2045 | 13,584 | 2.000% | 1,499.98 | 15,083.98 |
| 6/1/2045 | 13,652 | 2.000% | 1,432.06 | 15,084.06 |
| 9/1/2045 | 13,721 | 2.000% | 1,363.80 | 15,084.80 |
| 12/1/2045 | 13,789 | 2.000% | 1,295.20 | 15,084.20 |
| 3/1/2046 | 13,858 | 2.000% | 1,226.25 | 15,084.25 |
| 6/1/2046 | 13,927 | 2.000% | 1,156.96 | 15,083.96 |
| 9/1/2046 | 13,997 | 2.000% | 1,087.33 | 15,084.33 |
| 12/1/2046 | 14,067 | 2.000% | 1,017.34 | 15,084.34 |
| 3/1/2047 | 14,137 | 2.000% | 947.01 | 15,084.01 |
| 6/1/2047 | 14,208 | 2.000% | 876.32 | 15,084.32 |
| 9/1/2047 | 14,279 | 2.000% | 805.28 | 15,084.28 |
| 12/1/2047 | 14,351 | 2.000% | 733.89 | 15,084.89 |
| 3/1/2048 | 14,422 | 2.000% | 662.13 | 15,084.13 |
| 6/1/2048 | 14,494 | 2.000% | 590.02 | 15,084.02 |
| 9/1/2048 | 14,567 | 2.000% | 517.55 | 15,084.55 |
| 12/1/2048 | 14,640 | 2.000% | 444.72 | 15,084.72 |
| 3/1/2049 | 14,713 | 2.000% | 371.52 | 15,084.52 |
| 6/1/2049 | 14,786 | 2.000% | 297.95 | 15,083.95 |
| 9/1/2049 | 14,860 | 2.000% | 224.02 | 15,084.02 |
| 12/1/2049 | 14,935 | 2.000% | 149.72 | 15,084.72 |
| 3/1/2050 | 15,009 | 2.000% | 75.05 | 15,084.05 |
| | 1,358,702 | | 451,423.53 | 1,810,125.53 |

# SCHEDULE Z

(None)

**EASTERN WYOMING PUBLIC SERVICE DISTRICT**

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION, EXTENSION AND IMPROVEMENTS TO THE WATER SYSTEM OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 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 EASTERN WYOMING PUBLIC SERVICE DISTRICT:

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

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2018 A Bonds, or any other agency, board or department 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 Acting Chairman duly elected by the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 2018 A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2018 A Bonds in substantially the form set forth in Section 3.10 hereof.

"Chairman" means the Chairman of the Governing Body of the Issuer or any temporary Acting Chairman duly elected by the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Series 2018 A Bonds for all or a portion of the proceeds of the Series 2018 A Bonds.

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

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

"Consulting Engineers" means E. L. Robinson Engineering Co., Charleston, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03E hereof to be a part of the cost of acquisition and undertaking of the Project.

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

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

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

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

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

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

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

"Investment Property" means

(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 Eastern Wyoming Public Service District, a public service district, public corporation and political subdivision of the State in Wyoming County and includes the Governing Body.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2018 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2018 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2018 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 2018 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, as hereinafter defined and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

provided in Article X hereof; and (iv) for purposes of consents, notices or other action by a specified percentage of Registered Owners, any Bonds registered to the Issuer.

"Parity Bonds" means additional Parity 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 2018 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's (i) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000; (ii) Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000; (iii) Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000; (iv) Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original aggregate principal amount of $1,000,000; (v) Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original aggregate principal amount of $250,000; (vi) Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), dated April 16, 2015, issued in the original aggregate principal amount of $345,000; (vii) Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated March 16, 2016, issued in the original aggregate principal amount of $1,278,826; and (viii) Water Revenue Bonds, Series 2016 B (West Virginia Infrastructure Fund), dated October 18, 2016, issued in the original aggregate principal amount of $156,917.

"Prior Resolutions" means, collectively, the resolutions of the Issuer adopted October 10, 2001, August 23, 2004, January 10, 2006, October 13, 2009, March 11, 2014, April 14, 2015, March 8, 2016 and October 11, 2016 authorizing the Prior Bonds.

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

"Project" means the acquisition, construction, and extension of the water system to service the unincorporated communities of Barkers Ridge, Barkers Creek, Milam Ridge and surrounding areas of Wyoming County.

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

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to acquire and undertake the Project and approving the financing for the Project and the rates of the System.

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

(a) Government Obligations;

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

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

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

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

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

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

(h) Advance-Refunded Municipal Bonds.

"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.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts of the Series 2018 A Bonds and the Prior Bonds.

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

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

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

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

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000.

"Series 2004 A Bonds" means the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000.

"Series 2006 A Bonds" means the Issuer's Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000.

"Series 2009 A Bonds" means the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original principal amount of $1,000,000.

"Series 2014 A Bonds" means the Water Reserve Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original principal amount of $250,000.

"Series 2015 A Bonds" means the Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), dated April 16, 2016, issued in the original principal amount of $315,000.

"Series 2016 A Bonds" means the Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated March 16, 2016, issued in the original aggregate principal amount of $1,278,826.

"Series 2016 B Bonds" means the Water Revenue Bonds, Series 2016 B (West Virginia Infrastructure Fund), dated October 18, 2016, issued in the original aggregate principal amount of $156,917.

"Series 2018 A Bonds" means the Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2018 A Bonds Project Trust Fund" means the Series 2018 A Bonds Project Trust Fund established by Section 5.01 hereof.

"Series 2018 A Bonds Reserve Account" means the Series 2018 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2018 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2018 A Bonds in the then current or any succeeding year.

"Series 2018 A Bonds Sinking Fund" means the Series 2018 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds of the Series 2018 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer amendatory hereof or supplemental hereto and when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2018 A Bonds; provided, that any provisions intended by this Resolution to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Series 2018 A Bonds and the Prior Bonds, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and the Sinking Funds.

"System" means the complete public service properties of the Issuer for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

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

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

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

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

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

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

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

A. The Issuer is a public service district, public corporation and political subdivision of the State in Wyoming County of said State. The Issuer presently owns and operates a public water system in Wyoming County. However, the Issuer deems it necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and undertaken the Project.

B. The Issuer intends to permanently finance the costs of acquisition and undertaking of the Project through the issuance of its revenue bonds to the Authority.

C. The estimated maximum cost of acquisition and undertaking of the Project is approximately $2,939,530, of which not more than $1,500,000 will be obtained from the Series 2018 A Bonds, not more than $330,000 will be obtained from a Council Grant, and approximately $1,277,410 will be obtained from a West Virginia DEP AML Grant.

D. The estimated revenues to be derived in each year after acquisition and undertaking of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2018 A Bonds and to make payments into all funds and accounts provided for in this Resolution and the Prior Resolutions.

E. It is deemed necessary for the Issuer to issue the Series 2018 A Bonds in the aggregate principal amount of not more than $1,500,000, to permanently finance the costs of acquisition and undertaking of the Project. Such costs shall be deemed to include the cost of acquisition of any public service properties, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 2018 A Bonds prior to and during acquisition and for six months after completion of acquisition and undertaking of the Project; 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 and such other expenses as may be necessary or incident to the financing herein authorized, the acquisition and undertaking of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

F. The Series 2018 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 2018 A Bonds, the Issuer will obtain (1) the certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; (2) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2018 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.

G. The period of usefulness of the System after acquisition and undertaking of the Project is not less than 40 years.

H. It is in the best interests of the Issuer that the Series 2018 A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, undertaking and operation of the Project and issuance of the Series 2018 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the Council and the obtaining of the PSC Order, the time for rehearing and appeal of which has expired or will have been waived prior to the issuance of the Series 2018 A Bonds.

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

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2018 A Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such 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 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II
## AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT

Section 2.01. Authorization of Acquisition and Undertaking of the Project. There is hereby authorized and ordered the acquisition and undertaking of the Project, at an estimated cost of $2,939,530. The proceeds of the Series 2018 A Bonds shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the acquisition and undertaking of the Project, which are in an amount and otherwise compatible with the financing plan submitted to the Council and the Authority.

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

Section 3.01. Authorization of Bonds. For the purposes of paying the costs of the Project and paying the costs of issuance of the Series 2018 A Bonds and related costs, there shall be and hereby are authorized to be issued negotiable Series 2018 A Bonds of the Issuer. The Series 2018 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund)," in the aggregate principal amount of not more than $1,500,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2018 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2018 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, if any, on the Series 2018 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution or herein, the Series 2018 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal

amount of the Series 2018 A Bonds. The Series 2018 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2018 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 any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2018 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 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 Resolution. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2018 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide registered owner for value.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2018 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, register 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 Registered Owner's furnishing proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2018 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Registered Owner of such Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds. The payment of the debt service on the Series 2018 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2018 A Bonds and the Prior Bonds and to make payments into all funds and accounts hereinafter established

and established in the Prior Resolutions, 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 2018 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2018 A Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate, register and deliver the Series 2018 A Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of the Series 2018 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of page intentionally left blank]

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-___ $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ___ day of _____, 2018, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming 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,___, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of __ percent (__%) per annum. Principal installments and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of 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 _____, 2018.

This Bond is issued (i) to pay the costs of acquisition, construction, and extension of the water system to service the unincorporated communities of Barkers Ridge, Barkers Creek, Milam Ridge and surrounding areas of Wyoming County (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2018, and a Supplemental Resolution duly adopted by the Issuer on _____, 2018 (collectively, the "Resolution"), and is

subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000; (5) WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 25, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $250,000; (6) WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED APRIL 16, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000, (7) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 16, 2016, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,278,826 AND (8) WATER REVENUE BONDS, SERIES 2016 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 18, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $156,917 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2018 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2018 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2018 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and

interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

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

EASTERN WYOMING PUBLIC SERVICE DISTRICT

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2018.

UNITED 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 said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement. The Series 2018 A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Resolution.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and undertaking of the Project, the Issuer will file with the Authority and the Council a schedule, 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
## 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 Prior Resolutions);

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

(3) Series 2018 A Bonds Project Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2018 A Bonds Sinking Fund; and

(2) Series 2018 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund; (i) remit the interest payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of interest of the Series 2018 A Bonds, remit to the Commission for deposit in the Series 2018 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and become due on the Series 2018 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2018 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the principal payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2018 A Bonds, remit to the Commission for deposit in the Series 2018 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2018 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 2018 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.

(4) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the reserve account payments to the Reserve Accounts of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2018 A Bonds, if not fully funded upon issuance of the Series 2018 A Bonds, remit to the Commission for deposit in the Series 2018 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2018 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2018 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the

extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2018 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2018 A Bonds as the same shall become due. Moneys in the Series 2018 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2018 A Bonds as the same shall come due, when other moneys in the Series 2018 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2018 A Bonds Reserve Account (if fully funded) shall be transferred, not less than once each year, to the Series 2018 A Bonds Project Trust Fund during the acquisition and undertaking of the Project and following completion of the Project to the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2018 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2018 A Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2018 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2018 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2018 A Bonds Sinking Fund or the Series 2018 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2018 A Bonds then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal 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 2018 A Bonds and the Prior 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 2018 A Bonds Sinking Fund and the Series 2018 A Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2018 A Bonds Sinking Fund and the Series 2018 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2018 A Bonds Sinking Fund and the Series 2018 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 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 interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent, or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay the charges and the fees then due. The Issuer shall make the necessary arrangements whereby payments to the Commission under this paragraph shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03A hereof, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because

the required payments into the Reserve Accounts have not, as of such date, funded such account to the requirement therefor.

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

## ARTICLE VI
## APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2018 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2018 A Bonds, there shall first be deposited with the Commission in the Series 2018 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 2018 A Bonds for the period commencing on the date of issuance of the Series 2018 A Bonds and ending 6 months after the estimated date of completion of acquisition and undertaking of the Project.

B. Next, from the proceeds of the Series 2018 A Bonds, there shall be deposited with the Commission in the Series 2018 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2018 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2018 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2018 A Bonds Project Trust Fund and applied solely to payment of the 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 2018 A Bonds.

D. After completion of the acquisition and undertaking of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2018 A Bonds shall be expended as directed by the Council.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2018 A Bonds Project 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, moneys in the Series 2018 A Bonds Project 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 Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2018 A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2018 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 the Series 2018 A Bonds, or the interest thereon, are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2018 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Registered Owner of the Series 2018 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2018 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2018 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners 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 2018 A Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in this Resolution and the Prior Resolutions.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services

and facilities of the System shall be as set forth in and approved by the PSC Order and such rates are hereby adopted.

So long as the Series 2018 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 this Resolution and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2018 A Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the System may not be sold, transferred, mortgaged, leased or otherwise disposed of, except in accordance with the terms of the Prior Resolutions. So long as the Series 2018 A Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay or redeem at or prior to maturity all the Bonds Outstanding, or to effectively defease this Resolution in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2018 A Bonds, immediately be remitted to the Commission for deposit in the Series 2018 A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2018 A Bonds. Any balance remaining after the payment of the Series 2018 A Bonds and interest thereon, if any, shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall, upon receipt of approval of the Registered Owners, if needed, be remitted by the Issuer to the Commission for deposit in the appropriate Sinking Funds and shall be applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price, or, if not redeemable at par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay or redeem prior to maturity all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners 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. So long as the Series 2018 A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2018 A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolutions (so long as the Prior Bonds are Outstanding). All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2018 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolutions have been made and are current at the time of 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 liens of the Series 2018 A Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2018 A Bonds and the interest, if any, thereon in this Resolution, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued except in accordance with the terms of the Prior Resolutions. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of

any Bonds pursuant to this Resolution, except under the conditions and in the manner provided herein and with the prior written consent of the Authority.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2018 A Bonds.

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

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three 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 three 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 PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, including the revenues from new customers to be served, 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 and approved by the PSC, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the

Registered Owners of the Bonds and the Registered Owners of any Parity Bonds 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 respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2018 A Bonds.

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

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 and undertaking 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 any and all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition and undertaking of the Project, the operation and maintenance of the System and the administration of the loan or any State and federal 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 times following completion of acquisition and undertaking 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 Registered Owner of the Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner 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 Authority and the Council and shall mail in each year to any Registered Owners of the 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 Resolution and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with 2 CFR 200 Subpart F, or any successor thereof), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2018 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2018 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Operating Expenses and debt service and reserve requirements.

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

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of acquisition and undertaking and commencement of operation of the Project, the Issuer shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be

reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to issuance of the Series 2018 A Bonds, approvals of equitable rates or charges for the use of and service rendered by the System have been obtained 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 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 2018 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 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 2018 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2018 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 2018 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 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 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing 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 the Managing 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 Authority and the Council and to any Registered Owner of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the

Authority, the Council and any Registered Owner of any Bonds or anyone acting for and in behalf of such Registered Owner of any Bonds.

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

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

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council covering the supervision and inspection of the acquisition and undertaking of the Project.

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

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

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

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 PSC, 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 PSC, 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. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2018 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds

will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and undertaking of the Project, all orders and approvals required by State law and the Council necessary for the acquisition and undertaking of the Project, the operation of the System and all approvals for issuance of the Series 2018 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. [Reserved].

Section 7.19. Statutory Mortgage Lien. For the further protection of the Registered Owners of the Series 2018 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2018 A Bonds; provided however, that the statutory mortgage lien of the Series 2018 A Bonds shall be on a parity with the statutory mortgage lien held by the Prior Bonds.

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

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

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Authority. Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2018 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition and undertaking 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 2018 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineers. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2018 A Bonds made available due to 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.

Section 7.22. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

## ARTICLE VIII
## INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as the Series 2018 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2018 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate 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 2018 A Bonds as a condition to issuance of the Series 2018 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 2018 A Bonds as may be necessary in order to maintain the status of the Series 2018 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 2018 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 2018 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 2018 A Bonds and any additional information requested by the Authority.

## ARTICLE IX
## DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2018 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2018 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 2018 A Bonds set forth in this Resolution, any Supplemental Resolution or in the Series 2018 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a Bond; or

(3) If a default occurs under the Prior Resolutions or the Prior Bonds; or

(4) 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 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2018 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, 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 the 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 undertaking of the Project, or both, 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 Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate and maintain, manage and control the System, 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 the System as the Issuer itself might do.

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

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

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

## ARTICLE X
## PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owner of the Series 2018 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2018 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI
## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to issuance of the Series 2018 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2018 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2018 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2018 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Resolution may be amended without the consent of any Registered Owner 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 2018 A Bonds from gross income of the Registered Owner thereof.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the Series 2018 A Bonds and no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution and the Series 2018 A Bonds.

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

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

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

[Remainder of page intentionally left blank.]

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

Adopted this 11th day of September, 2018.

Chairman

Member

Member

## CERTIFICATION

Certified as a true copy of a Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 11th day of September, 2018.

Dated this 13th day of September, 2018.

[SEAL]

Secretary

## Exhibit A

## Project Description

The Project consists of the acquisition and construction of approximately 48,180 linear feet of 6-inch and smaller diameter water main, one bladder storage tank station, fire hydrants, valves, individual customer services and other related appurtenances to service the unincorporated communities of Barkers Ridge, Barkers Creek, Milam Ridge and surrounding areas of Wyoming County.

**EASTERN WYOMING PUBLIC SERVICE DISTRICT** **2.4**
**WATER REVENUE BONDS, SERIES 2018 A**
**(WEST VIRGINIA INFRASTRUCTURE FUND)**

# BOND RESOLUTION

## Table of Contents


**Page**

**ARTICLE I**
**STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS** ..... 1
Section 1.01. Definitions ..... 1
Section 1.02. Authority for this Resolution ..... 9
Section 1.03. Findings ..... 9
Section 1.04. Resolution Constitutes Contract ..... 11

**ARTICLE II**
**AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT** ..... 11
Section 2.01. Authorization of Acquisition and Undertaking of the Project ..... 11

**ARTICLE III**
**AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT** ..... 11
Section 3.01. Authorization of Bonds ..... 11
Section 3.02. Terms of Bonds ..... 11
Section 3.03. Execution of Bonds ..... 12
Section 3.04. Authentication and Registration ..... 12
Section 3.05. Negotiability, Transfer and Registration ..... 12
Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost ..... 13
Section 3.07. Bonds not to be Indebtedness of the Issuer ..... 13
Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds ..... 13
Section 3.09. Delivery of Bonds. ..... 14
Section 3.10. Form of Bonds ..... 14
Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement ..... 23
Section 3.12. Filing of Amended Schedule ..... 23

**ARTICLE IV**
**[RESERVED]** ..... 23

**ARTICLE V**
**SYSTEM REVENUES AND APPLICATION THEREOF** ..... 23
Section 5.01. Establishment of Funds and Accounts with Depository Bank ..... 23
Section 5.02. Establishment of Funds and Accounts with Commission ..... 23
Section 5.03. System Revenues; Flow of Funds ..... 23

**ARTICLE VI**
**APPLICATION OF BOND PROCEEDS** ..... 27
Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds ..... 27
Section 6.02. Disbursements from Bond Project Trust Fund. ..... 27

**ARTICLE VII**
**ADDITIONAL COVENANTS OF THE ISSUER** ..... 28
Section 7.01. General Covenants of the Issuer ..... 28
Section 7.02. Bonds not to be Indebtedness of the Issuer ..... 28
Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds ..... 28
Section 7.04. Initial Schedule of Rates and Charges ..... 28
Section 7.05. Sale of the System ..... 29
Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances ..... 30
Section 7.07. Parity Bonds ..... 30
Section 7.08. Books; Records and Audit ..... 32
Section 7.09. Rates ..... 34
Section 7.10. Operating Budget and Monthly Financial Report ..... 34
Section 7.11. Engineering Services and Operating Personnel ..... 35
Section 7.12. No Competing Franchise ..... 35
Section 7.13. Enforcement of Collections ..... 35
Section 7.14. No Free Services ..... 36
Section 7.15. Insurance and Construction Bonds ..... 36
Section 7.16. Connections ..... 37
Section 7.17. Completion and Operation of Project; Permits and Orders ..... 37
Section 7.18. [Reserved] ..... 38
Section 7.19. Statutory Mortgage Lien ..... 39
Section 7.20. Compliance with Loan Agreement and Law ..... 39
Section 7.21. Contracts; Public Releases ..... 39
Section 7.22. Securities Law Compliance ..... 39

**ARTICLE VIII**
**INVESTMENT OF FUNDS** ..... 39
Section 8.01. Investment of Funds ..... 40
Section 8.02. Certificate as to Use of Proceeds ..... 40

**ARTICLE IX**
**DEFAULT AND REMEDIES** ..... 40
Section 9.01. Events of Default ..... 40
Section 9.02. Remedies ..... 40
Section 9.03. Appointment of Receiver ..... 40

**ARTICLE X**
**PAYMENT OF BONDS** ..... 43
Section 10.01. Payment of Bonds ..... 42

**ARTICLE XI**
**MISCELLANEOUS** ..... 42
Section 11.01. Amendment or Modification of Resolution ..... 42
Section 11.02. Resolution Constitutes Contract ..... 42
Section 11.03. Severability of Invalid Provisions ..... 42
Section 11.04. Headings, Etc ..... 42
Section 11.05. Conflicting Provisions Repealed; Prior Resolutions ..... 43
Section 11.06. Covenant of Due Procedure, Etc ..... 43
Section 11.07. Effective Date ..... 44
CERTIFICATION ..... 45
Exhibit A - Project Description ..... 46

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO SUCH BONDS; 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 Eastern Wyoming Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on September 11, 2018 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUIRING, CONSTRUCTION, AND EXTENSION AND IMPROVEMENTS TO THE WATER SYSTEM OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount not to exceed $1,500,000 (the "Bonds" or the "Series 2018 A Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 2018 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority ("the Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be therein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF EASTERN WYOMING 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 Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the original principal amount of $1,358,702. The Series 2018 A Bonds shall be dated the date of delivery, shall finally mature March 1, 2050 and shall bear interest at the rate of two percent (2%) per annum. The principal of and interest on the Series 2018 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2020, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2018 A Bonds. The Series 2018 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2018 A Bonds.

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

Section 3. The Issuer hereby authorizes, approves, ratifies and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2018 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer hereby appoints and designates First Peoples Bank, Mullens, West Virginia, to serve as the Depository Bank under the Resolution.

Section 7. Series 2018 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2018 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2018 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2018 A Bonds Reserve Account.

Section 9. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about September 13, 2018.

Section 10. The acquisition and undertaking of the Project, and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2018 A Bonds Sinking Fund and

the Series 2018 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing and acquisition of the Project, and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

Section 13. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 14. The Issuer hereby authorizes the sweeping of its account by the Municipal Bond Commission to the Series 2018 A Bonds Sinking Fund for the Series 2018 A Bonds Reserve Account.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of page intentionally left blank]

Adopted this 11th day of September, 2018.

Chairman

Member

Member

CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 11th day of September, 2018.

Dated this 13th day of September, 2018.

[SEAL]

Secretary



# SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $1,358,702

KNOW ALL MEN BY THESE PRESENTS: That on this 13th day of September, 2018, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming 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 EIGHT THOUSAND SEVEN HUNDRED TWO DOLLARS ($1,358,702), 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 June 1, 2020, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of two percent (2%) per annum. Principal installments and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of 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 September 13, 2018.

This Bond is issued (i) to pay the costs of acquisition, construction, and extension of the water system to service the unincorporated communities of Barkers Ridge, Barkers Creek,

SPECIMEN

Milam Ridge and surrounding areas of Wyoming County (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on September 11, 2018, and a Supplemental Resolution duly adopted by the Issuer on September 11, 2018 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000; (5) WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 25, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $250,000; (6) WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED APRIL 16, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000, (7) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 16, 2016, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,278,826 AND (8) WATER REVENUE BONDS, SERIES 2016 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 18, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $156,917 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2018 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2018 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has

SPECIMEN

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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2018 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

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

EASTERN WYOMING PUBLIC SERVICE DISTRICT

[SEAL]

SPECIMEN

Chairman

ATTEST:

SPECIMEN

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: September 13, 2018.

UNITED BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

SPECIMEN

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $246,114.35 | 9/13/2018 | (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 $

SPECIMEN

EXHIBIT B

# DEBT SERVICE SCHEDULE

## Bond Debt Service

*Eastern Wyoming PSD*

*IF*

*$1,358,702*

*2% Interest Rate*

*30 Years*

Dated Date 9/13/2018

Delivery Date 9/13/2018

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 6/1/2020 | 8,291 | 2.000% | 6,793.51 | 15,084.51 |
| 9/1/2020 | 8,332 | 2.000% | 6,752.06 | 15,084.06 |
| 12/1/2020 | 8,374 | 2.000% | 6,710.40 | 15,084.40 |
| 3/1/2021 | 8,416 | 2.000% | 6,668.53 | 15,084.53 |
| 6/1/2021 | 8,458 | 2.000% | 6,626.45 | 15,084.45 |
| 9/1/2021 | 8,500 | 2.000% | 6,584.16 | 15,084.16 |
| 12/1/2021 | 8,543 | 2.000% | 6,541.66 | 15,084.66 |
| 3/1/2022 | 8,585 | 2.000% | 6,498.94 | 15,083.94 |
| 6/1/2022 | 8,628 | 2.000% | 6,456.02 | 15,084.02 |
| 9/1/2022 | 8,672 | 2.000% | 6,412.88 | 15,084.88 |
| 12/1/2022 | 8,715 | 2.000% | 6,369.52 | 15,084.52 |
| 3/1/2023 | 8,758 | 2.000% | 6,325.94 | 15,083.94 |
| 6/1/2023 | 8,802 | 2.000% | 6,282.15 | 15,084.15 |
| 9/1/2023 | 8,846 | 2.000% | 6,238.14 | 15,084.14 |
| 12/1/2023 | 8,891 | 2.000% | 6,193.91 | 15,084.91 |
| 3/1/2024 | 8,935 | 2.000% | 6,149.46 | 15,084.46 |
| 6/1/2024 | 8,980 | 2.000% | 6,104.78 | 15,084.78 |
| 9/1/2024 | 9,025 | 2.000% | 6,059.88 | 15,084.88 |
| 12/1/2024 | 9,070 | 2.000% | 6,014.76 | 15,084.76 |
| 3/1/2025 | 9,115 | 2.000% | 5,969.41 | 15,084.41 |
| 6/1/2025 | 9,161 | 2.000% | 5,923.83 | 15,084.83 |
| 9/1/2025 | 9,206 | 2.000% | 5,878.03 | 15,084.03 |
| 12/1/2025 | 9,252 | 2.000% | 5,832.00 | 15,084.00 |
| 3/1/2026 | 9,299 | 2.000% | 5,785.74 | 15,084.74 |
| 6/1/2026 | 9,345 | 2.000% | 5,739.24 | 15,084.24 |
| 9/1/2026 | 9,392 | 2.000% | 5,692.52 | 15,084.52 |
| 12/1/2026 | 9,439 | 2.000% | 5,645.56 | 15,084.56 |
| 3/1/2027 | 9,486 | 2.000% | 5,598.36 | 15,084.36 |
| 6/1/2027 | 9,533 | 2.000% | 5,550.93 | 15,083.93 |
| 9/1/2027 | 9,581 | 2.000% | 5,503.27 | 15,084.27 |
| 12/1/2027 | 9,629 | 2.000% | 5,455.36 | 15,084.36 |
| 3/1/2028 | 9,677 | 2.000% | 5,407.22 | 15,084.22 |
| 6/1/2028 | 9,726 | 2.000% | 5,358.83 | 15,084.83 |
| 9/1/2028 | 9,774 | 2.000% | 5,310.20 | 15,084.20 |
| 12/1/2028 | 9,823 | 2.000% | 5,261.33 | 15,084.33 |
| 3/1/2029 | 9,872 | 2.000% | 5,212.22 | 15,084.22 |
| 6/1/2029 | 9,922 | 2.000% | 5,162.86 | 15,084.86 |
| 9/1/2029 | 9,971 | 2.000% | 5,113.25 | 15,084.25 |
| 12/1/2029 | 10,021 | 2.000% | 5,063.39 | 15,084.39 |
| 3/1/2030 | 10,071 | 2.000% | 5,013.29 | 15,084.29 |
| 6/1/2030 | 10,121 | 2.000% | 4,962.93 | 15,083.93 |
| 9/1/2030 | 10,172 | 2.000% | 4,912.33 | 15,084.33 |
| 12/1/2030 | 10,223 | 2.000% | 4,861.47 | 15,084.47 |

SPECIMEN

Bond Debt Service

*Eastern Wyoming PSD*

*IF*

*$1,358,702*

*2% Interest Rate*

*30 Years*

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 3/1/2031 | 10,274 | 2.000% | 4,810.35 | 15,084.35 |
| 6/1/2031 | 10,325 | 2.000% | 4,758.98 | 15,083.98 |
| 9/1/2031 | 10,377 | 2.000% | 4,707.36 | 15,084.36 |
| 12/1/2031 | 10,429 | 2.000% | 4,655.47 | 15,084.47 |
| 3/1/2032 | 10,481 | 2.000% | 4,603.33 | 15,084.33 |
| 6/1/2032 | 10,533 | 2.000% | 4,550.92 | 15,083.92 |
| 9/1/2032 | 10,586 | 2.000% | 4,498.26 | 15,084.26 |
| 12/1/2032 | 10,639 | 2.000% | 4,445.33 | 15,084.33 |
| 3/1/2033 | 10,692 | 2.000% | 4,392.13 | 15,084.13 |
| 6/1/2033 | 10,746 | 2.000% | 4,338.67 | 15,084.67 |
| 9/1/2033 | 10,799 | 2.000% | 4,284.94 | 15,083.94 |
| 12/1/2033 | 10,853 | 2.000% | 4,230.95 | 15,083.95 |
| 3/1/2034 | 10,908 | 2.000% | 4,176.68 | 15,084.68 |
| 6/1/2034 | 10,962 | 2.000% | 4,122.14 | 15,084.14 |
| 9/1/2034 | 11,017 | 2.000% | 4,067.33 | 15,084.33 |
| 12/1/2034 | 11,072 | 2.000% | 4,012.25 | 15,084.25 |
| 3/1/2035 | 11,128 | 2.000% | 3,956.89 | 15,084.89 |
| 6/1/2035 | 11,183 | 2.000% | 3,901.25 | 15,084.25 |
| 9/1/2035 | 11,239 | 2.000% | 3,845.33 | 15,084.33 |
| 12/1/2035 | 11,295 | 2.000% | 3,789.14 | 15,084.14 |
| 3/1/2036 | 11,352 | 2.000% | 3,732.66 | 15,084.66 |
| 6/1/2036 | 11,409 | 2.000% | 3,675.90 | 15,084.90 |
| 9/1/2036 | 11,466 | 2.000% | 3,618.86 | 15,084.86 |
| 12/1/2036 | 11,523 | 2.000% | 3,561.53 | 15,084.53 |
| 3/1/2037 | 11,580 | 2.000% | 3,503.91 | 15,083.91 |
| 6/1/2037 | 11,638 | 2.000% | 3,446.01 | 15,084.01 |
| 9/1/2037 | 11,697 | 2.000% | 3,387.82 | 15,084.82 |
| 12/1/2037 | 11,755 | 2.000% | 3,329.34 | 15,084.34 |
| 3/1/2038 | 11,814 | 2.000% | 3,270.56 | 15,084.56 |
| 6/1/2038 | 11,873 | 2.000% | 3,211.49 | 15,084.49 |
| 9/1/2038 | 11,932 | 2.000% | 3,152.13 | 15,084.13 |
| 12/1/2038 | 11,992 | 2.000% | 3,092.47 | 15,084.47 |
| 3/1/2039 | 12,052 | 2.000% | 3,032.51 | 15,084.51 |
| 6/1/2039 | 12,112 | 2.000% | 2,972.25 | 15,084.25 |
| 9/1/2039 | 12,173 | 2.000% | 2,911.69 | 15,084.69 |
| 12/1/2039 | 12,234 | 2.000% | 2,850.82 | 15,084.82 |
| 3/1/2040 | 12,295 | 2.000% | 2,789.65 | 15,084.65 |
| 6/1/2040 | 12,356 | 2.000% | 2,728.18 | 15,084.18 |
| 9/1/2040 | 12,418 | 2.000% | 2,666.40 | 15,084.40 |
| 12/1/2040 | 12,480 | 2.000% | 2,604.31 | 15,084.31 |
| 3/1/2041 | 12,543 | 2.000% | 2,541.91 | 15,084.91 |
| 6/1/2041 | 12,605 | 2.000% | 2,479.19 | 15,084.19 |
| 9/1/2041 | 12,668 | 2.000% | 2,416.17 | 15,084.17 |
| 12/1/2041 | 12,732 | 2.000% | 2,352.83 | 15,084.83 |
| 3/1/2042 | 12,795 | 2.000% | 2,289.17 | 15,084.17 |
| 6/1/2042 | 12,859 | 2.000% | 2,225.19 | 15,084.19 |
| 9/1/2042 | 12,924 | 2.000% | 2,160.90 | 15,084.90 |

SPECIMEN

**Bond Debt Service**

*Eastern Wyoming PSD*

*IF*

*$1,358,702*

*2% Interest Rate*

*30 Years*

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 12/1/2042 | 12,988 | 2.000% | 2,096.28 | 15,084.28 |
| 3/1/2043 | 13,053 | 2.000% | 2,031.34 | 15,084.34 |
| 6/1/2043 | 13,118 | 2.000% | 1,966.07 | 15,084.07 |
| 9/1/2043 | 13,184 | 2.000% | 1,900.48 | 15,084.48 |
| 12/1/2043 | 13,250 | 2.000% | 1,834.56 | 15,084.56 |
| 3/1/2044 | 13,316 | 2.000% | 1,768.31 | 15,084.31 |
| 6/1/2044 | 13,383 | 2.000% | 1,701.73 | 15,084.73 |
| 9/1/2044 | 13,450 | 2.000% | 1,634.82 | 15,084.82 |
| 12/1/2044 | 13,517 | 2.000% | 1,567.57 | 15,084.57 |
| 3/1/2045 | 13,584 | 2.000% | 1,499.98 | 15,083.98 |
| 6/1/2045 | 13,652 | 2.000% | 1,432.06 | 15,084.06 |
| 9/1/2045 | 13,721 | 2.000% | 1,363.80 | 15,084.80 |
| 12/1/2045 | 13,789 | 2.000% | 1,295.20 | 15,084.20 |
| 3/1/2046 | 13,858 | 2.000% | 1,226.25 | 15,084.25 |
| 6/1/2046 | 13,927 | 2.000% | 1,156.96 | 15,083.96 |
| 9/1/2046 | 13,997 | 2.000% | 1,087.33 | 15,084.33 |
| 12/1/2046 | 14,067 | 2.000% | 1,017.34 | 15,084.34 |
| 3/1/2047 | 14,137 | 2.000% | 947.01 | 15,084.01 |
| 6/1/2047 | 14,208 | 2.000% | 876.32 | 15,084.32 |
| 9/1/2047 | 14,279 | 2.000% | 805.28 | 15,084.28 |
| 12/1/2047 | 14,351 | 2.000% | 733.89 | 15,084.89 |
| 3/1/2048 | 14,422 | 2.000% | 662.13 | 15,084.13 |
| 6/1/2048 | 14,494 | 2.000% | 590.02 | 15,084.02 |
| 9/1/2048 | 14,567 | 2.000% | 517.55 | 15,084.55 |
| 12/1/2048 | 14,640 | 2.000% | 444.72 | 15,084.72 |
| 3/1/2049 | 14,713 | 2.000% | 371.52 | 15,084.52 |
| 6/1/2049 | 14,786 | 2.000% | 297.95 | 15,083.95 |
| 9/1/2049 | 14,860 | 2.000% | 224.02 | 15,084.02 |
| 12/1/2049 | 14,935 | 2.000% | 149.72 | 15,084.72 |
| 3/1/2050 | 15,009 | 2.000% | 75.05 | 15,084.05 |
| | 1,358,702 | | 451,423.53 | 1,810,125.53 |

SPECIMEN

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

| Bond Number | Principal Amount | Date of Bond |
|---|---|---|
| No. AR-1 | $1,358,702 | September 13, 2018 |

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

United Bank
Charleston, West Virginia

Authorized Representative

**EASTERN WYOMING PUBLIC SERVICE DISTRICT**

**WATER REVENUE BONDS, SERIES 2001 A**

**(WEST VIRGINIA DWTRF PROGRAM)**

**BOND RESOLUTION**

**Table of Contents**


| | | Page |
|---|---|---|
| | **ARTICLE I** | |
| | **DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS** | |
| Section 1.01 | Definitions | 1 |
| Section 1.02 | Authority for this Resolution | 8 |
| Section 1.03 | Findings | 8 |
| Section 1.04 | Bond Legislation Constitutes Contract | 10 |
| | **ARTICLE II** | |
| | **AUTHORIZATION OF ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF THE PROJECT; AUTHORIZATION OF OPERATION AND MAINTENANCE OF THE PROJECT** | |
| Section 2.01 | Authorization of the Acquisition, Construction and Improvement of the Project | 11 |
| Section 2.02 | Approval of Operation and Maintenance of the System | 11 |
| | **ARTICLE III** | |
| | **AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT** | |
| Section 3.01 | Authorization of Bonds | 12 |
| Section 3.02 | Term of Bonds | 12 |
| Section 3.03 | Additional Terms of Bonds | 13 |
| Section 3.04 | Execution of Bonds | 13 |
| Section 3.05 | Authentication and Registration | 13 |
| Section 3.06 | Negotiability, Transfer and Registration | 13 |
| Section 3.07 | Bonds Mutilated, Destroyed, Stolen or Lost | 14 |
| Section 3.08 | Bonds Not to be Indebtedness of the Issuer | 14 |
| Section 3.09 | Bonds Secured by Pledge of Net Revenues | 14 |
| Section 3.10 | Delivery of Bonds | 15 |
| Section 3.11 | Form of Bonds | 15 |
| | FORM OF BOND | 16 |
| Section 3.12 | Sale of Bonds; Ratification and Execution of Loan Agreement | 24 |

| | | |
|---|---|---|
| Section 3.13 | "Amended Schedule Filing" | 24 |

**ARTICLE IV**
**[RESERVED]**

**ARTICLE V**
**FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

| | | |
|---|---|---|
| Section 5.01 | Establishment of Funds and Accounts with Depository Bank | 26 |
| Section 5.02 | Establishment of Funds and Accounts with Commission | 26 |
| Section 5.03 | System Revenues; Flow of Funds | 26 |

**ARTICLE VI**
**APPLICATION OF BONDS PROCEEDS**

| | | |
|---|---|---|
| Section 6.01 | Application of Bonds Proceeds; Pledge of Unexpended Bonds | 30 |
| Section 6.02 | Disbursements From the Construction Trust Fund | 30 |
| Section 6.03 | Excess Bond Proceeds | 31 |

**ARTICLE VII**
**ADDITIONAL COVENANTS OF THE ISSUER**

| | | |
|---|---|---|
| Section 7.01 | General Covenants of the Issuer | 32 |
| Section 7.02 | Bonds not to be Indebtedness of the Issuer | 32 |
| Section 7.03 | Bonds Secured by Pledge of Net Revenues; Lien Position | 32 |
| Section 7.04 | Initial Schedule of Rates and Charges | 32 |
| Section 7.05 | Sale of the System | 33 |
| Section 7.06 | Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances | 34 |
| Section 7.07 | Parity Bonds | 34 |
| Section 7.08 | Books; Records and Audit | 36 |
| Section 7.09 | Rates | 37 |
| Section 7.10 | Operating Budget and Monthly Financial Report | 38 |
| Section 7.11 | No Competing Franchise | 38 |
| Section 7.12 | Enforcement of Collections | 38 |
| Section 7.13 | No Free Services | 39 |
| Section 7.14 | Connections to System | 39 |
| Section 7.15 | Insurance | 39 |
| Section 7.16 | Engineering Services and Operating Personnel | 40 |
| Section 7.17 | Completion of Project; Permits and Orders | 41 |
| Section 7.18 | Statutory Mortgage Lien | 41 |
| Section 7.19 | Compliance with Loan Agreement and Law | 41 |
| Section 7.20 | PSC Order | 41 |
| Section 7.21 | Securities Law Compliance | 41 |

| | | |
|---|---|---|
| Section 7.22 | Public Releases | 41 |

**ARTICLE VIII**
**INVESTMENT OF FUNDS**

| | | |
|---|---|---|
| Section 8.01 | Investments | 42 |
| Section 8.02 | Certificate and Covenants as to Use of Proceeds | 42 |

**ARTICLE IX**
**DEFAULTS AND REMEDIES**

| | | |
|---|---|---|
| Section 9.01 | Events of Default | 43 |
| Section 9.02 | Remedies | 43 |
| Section 9.03 | Appointment of Receiver | 43 |

**ARTICLE X**
**PAYMENT OF BONDS**

| | | |
|---|---|---|
| Section 10.01 | Payment of Bonds | 45 |

**ARTICLE XI**
**MISCELLANEOUS**

| | | |
|---|---|---|
| Section 11.01 | Amendment or Modification of Resolution | 46 |
| Section 11.02 | Resolution Constitutes Contract | 46 |
| Section 11.03 | Severability of Invalid Provisions | 46 |
| Section 11.04 | Headings, Etc. | 46 |
| Section 11.05 | Conflicting Provisions Repealed | 46 |
| Section 11.06 | Covenant of Due Procedure, Etc. | 46 |
| Section 11.07 | Effective Date | 46 |
| | SIGNATURES | 47 |
| | CERTIFICATION | 48 |

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS OF WATER TREATMENT AND DISTRIBUTION FACILITIES BY EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $360,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 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 ADOPTED BY THE PUBLIC SERVICE BOARD OF EASTERN WYOMING PUBLIC SERVICE DISTRICT:

## ARTICLE I

## DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

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

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

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2001 A Bonds.

"Agreement of Sale" means the Agreement of Sale entered into prior to issuance of the Bonds, by and between MWW and the Issuer, as the same may be amended, pursuant to which MWW has sold to the Issuer certain water facility assets that constitute a portion of the Project.

"Application" means the application, with attachments and exhibits, filed by the Issuer with the BPH for a DWTRF loan.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Bonds acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

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

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

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

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

"Bonds" means collectively the Series 2001 A Bonds originally authorized hereby, and any pari passu additional bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or 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.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

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

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

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

"Construction Trust Fund" means the Series 2001 A Construction Trust Fund established by Section 5.01(3).

"Consulting Engineer" or "Consulting Engineers" means the Managing Engineer of the Logan County Public Service District, which entity, pursuant to that certain Agreement dated August 30, 2001 by and between the Logan County Public Service District and the Issuer, operates and maintains the Issuer's System.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03 E hereof to be part of the cost of acquisition and construction of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

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

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

"DWTRF" means the West Virginia Drinking Water Treatment Revolving Fund.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

"Governmental Obligations" means direct obligations or, of 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, or any Tap Fees, as hereinafter defined).

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System, or for

any other purpose except keeping the accounts of such System in the normal operation of its business and affairs.

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

"Issuer" means Eastern Wyoming Public Service District, a public service district and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the BPH providing for the purchase of the Series 2001 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.

"LCPSD" means the Logan County Public Service District, or any successor thereto.

"MWW" means Mullens Water Works, a West Virginia corporation, which has sold to the Issuer, pursuant to the Agreement of Sale, certain water facility assets that constitute a portion of the Project.

"Net Proceeds" means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the 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 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.

"Note" or "Notes" means the Issuer's Water System Notes, Series 2001 A (West Virginia Water Development Authority).

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System, as hereinafter described and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs of Projects, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs of Projects, 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, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Operation and Maintenance Agreement" means that certain Agreement dated August 30, 2001 by and between the Logan County Public Service District and the Issuer, pursuant to which the Logan County Public Service District operates and maintains the Issuer's System.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article VI hereof.

"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 to be designated as such in the Supplemental Resolution and its successors and assigns.

"Project" means the Project described in Section 1.03B hereof.

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

"PSC Order" means, collectively, the Commission Order of the Public Service Commission of West Virginia (the "PSC") entered on August 3, 2001, Case No. 01-1039-W-PWD-PC, which, among other things, approves the acquisition of certain assets of Mullens Water Works, Inc. ("MWW"), approves the charging of the existing rates of MWW, and approves the issuance of Bonds to evidence the Drinking Water Treatment Revolving Fund ("DWTRF") loan of $500,000, and the Further Commission Order of the PSC entered on August 14, 2001, Case No. 01-1039-W-PWD-PC, which approved the sale of the Issuer's Water System Notes, Series 2001 A (West Virginia Water Development Authority) as interim financing pending the issuance of Bonds to evidence the DWTRF loan.

"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 Unites 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 practical coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund referenced in Section 5.01(2).

"Resolution" means this resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund created by Section 5.01(1).

"Secretary" means the Secretary of the Issuer.

"Series 2001 A Bonds" means the not more than $360,000 in aggregate principal amount of Eastern Wyoming Public Service District Water Revenue Bonds Series 2001 A (West Virginia DWTRF Program), of the Issuer originally authorized hereby.

"Series 2001 A Bonds Reserve Account" or "Reserve Account" means the Series 2001 A Bonds Reserve Account established in the Series 2001 A Bonds Sinking Fund pursuant to Section 5.02.

"Series 2001 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 2001 A Bonds in the then current or any succeeding year.

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

"State" means the State of West Virginia.

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

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

"System" means the complete waterworks system of the Issuer, including the Project, and any improvements and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

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

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

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

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

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof (the "Bond Legislation"), is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer is a public service district and a public corporation and political subdivision of the State, located in and near Mullens, Wyoming County, West Virginia, created pursuant to the Act by an order issued by The County Commission of Wyoming County, West Virginia.

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that the Issuer acquire, construct and improve a water development project, at the location and more particularly described in the Application and related documents, in accordance with plans, specifications and designs prepared for the Issuer (the "Project").

C. In order for the Issuer to permanently finance the cost of constructing, acquiring and improving the Project and to finance the costs of issuance of revenue bonds and related costs in connection with such financing for the Project, it is necessary for the Issuer to borrow from the Authority, which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act, not more than $360,000 by issuing revenue bonds of the Issuer (the "Bonds" as defined hereinabove), in accordance with the Loan Agreement.

D. The Issuer, on August 23, 2001, issued its Water System Notes, Series 2001 A (West Virginia Water Development Authority) in the amount of $360,000 (the "Note") to (i) temporarily finance the acquisition, construction and improvement of the Project, and (ii) pay the costs of issuance and other related costs. The proceeds of the Bonds will repay in full the principal of and interest accrued on the Note and permanently finance the Project and other acquisitions, construction and improvements to serve the inhabitants of the Issuer.

E. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program) in the aggregate principal amount of not more than $360,000 to permanently finance the cost of acquisition, construction and improvement of the Project. Said costs shall be deemed to include the repayment of the principal of and interest accrued on the Notes, cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering and legal expenses; expenses for estimates of costs and revenues and for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, commitment fees, fees of the Authority, including the Administrative Fee (as defined above) for the Series 2001 A Bonds, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and such other expenses as may be necessary or incidental to the financing herein authorized and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness, incurred by the Issuer for such purposes shall be deemed Costs of the Project.

F. The Issuer has no outstanding bonds or obligations which are secured by revenues or assets of the System.

G. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of the Series 2001 A Bonds and all sinking funds, reserve accounts and other payments provided for herein.

H. The period of usefulness of the System after completion of the Project is not less than 30 years.

I. It is in the best interests of the Issuer that the Series 2001 A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, operation of the System, and the issuance of the Bonds, or will have so complied prior to the issuance of the Bonds, including the obtaining of approval of the Project and the issuance of the Bonds from the PSC by a Commission Order entered on August 3, 2001, Case No. 01-1039-W-PWD-PC, which, among other things, approves the acquisition of certain assets of MWW, approves the charging of the existing rates of MWW, and approves the issuance of bonds to evidence the DWTRF loan of $500,000, and the Further Commission Order of the PSC entered on August 14, 2001, Case No. 01-1039-W-PWD-PC, which approved the sale of the Notes as interim financing pending the issuance of bonds to evidence the DWTRF loan. The time for appeal of the Commission Order and the Further Order have expired prior to the date hereof.

K. Pursuant to the Act, the Project has been approved by the Council, and the Authority, on behalf of DWTRF, has agreed to make the Loan to the Issuer.

L. The Issuer has determined that the acquisition and construction of the Project are the immediate result of, and necessary due to, flooding that created a disaster affecting public health and public safety, and hereby designates the Project as an emergency.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2001 A Bonds by those who shall be 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 benefit, protection and security of the Registered Owners of the Bonds.

## ARTICLE II

## AUTHORIZATION OF ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF THE PROJECT; AUTHORIZATION OF OPERATION AND MAINTENANCE OF THE PROJECT

Section 2.01. Authorization of the Acquisition, Construction and Improvement of the Project. There is hereby authorized and ordered the acquisition, construction and improvement of the Project, at an estimated cost of not to exceed $360,000. The proceeds of the Series 2001 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Series 2001 A Bonds are issued to refund the Notes which were issued (i) to temporarily pay the costs of the acquisition, construction and improvement by the Issuer of the Project, and (ii) to pay the costs of issuance hereof and related costs. The Project has heretofore been or will be acquired in an amount and otherwise compatible with the plan of financing described in the application to the Authority and the BPH.

Section 2.02. Approval of Operation and Maintenance of the System. The Issuer hereby approves the operation and maintenance of the System by LCPSD, for and on behalf of the Issuer, along with any other assets of the Issuer that the Issuer may desire for LCPSD to operate and maintain, pursuant to the Operation and Maintenance Agreement.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Notes in full, paying the costs of the Project and paying the costs of issuance of the Bonds and related costs, or any of such purposes as shall be specified in the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable bonds of the Issuer. Said Bonds shall be issued in one or more series, to be designated the "Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), in the aggregate principal amount of not more than $360,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution. The proceeds of the Bonds shall be deposited in the Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Term of Bonds. The Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which, on the dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America. Interest on the 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 this Resolution or the Supplemental Resolution, the Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the series, and shall mature in principal installments, all as provided in this Resolution. The Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Additional Terms of Bonds. In addition to the terms set forth in Sections 3.01 and 3.02 hereof and in anticipation of the sale of the Bonds to the Authority, the Issuer covenants that the Bonds shall comply in all respects with the provisions of the Loan Agreement and of any resolution of the Authority authorizing the issuance of Bonds.

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

Section 3.05. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.11 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.06. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said Bonds, shall be conclusively deemed to have agreed that said Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

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

Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver a new Bond of the same series and of like tenor of 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 the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and 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 3.08. Bonds Not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Reserve Account. No Holder or Holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Bonds or the interest, if any, thereon.

Section 3.09. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on all the Series 2001 A Bonds shall be secured forthwith by a

first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of, and interest, if any, on and other payments for the Series 2001 A Bonds and to make the payments into the Sinking Fund, the Reserve Account therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest, if any, on the Series 2001 A Bonds as the same become due.

Section 3.10. Delivery of Bonds. The Issuer shall execute and deliver the Series 2001 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2001 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2001 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 2001 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2001 A Bonds.

Section 3.11. Form of Bonds. The text of the Series 2001 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2001 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $360,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, the principal sum of THREE HUNDRED SIXTY THOUSAND DOLLARS ($360,000.00) 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 March 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on said EXHIBIT B.

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 Bureau for Public Health (the "BPH"), 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 BPH, dated October 16, 2001.

This Bond is issued to refund the Issuer's Water System Notes, Series 2001 A (West Virginia Water Development Authority) which were issued (i) to temporarily pay the costs of the acquisition, construction and improvement by the Issuer of a water development project (the "Project"), and (ii) to pay the costs of issuance hereof and related costs. The Project and any further improvements or extensions thereto are herein called

the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on October 10, 2001, and a Supplemental Resolution duly adopted by the Issuer on October 10, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2001 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 moneys in the Series 2001 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; provided however, that so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 and the statutes under which this Bond is issued shall be deemed to be part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, EASTERN WYOMING PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated October 16, 2001.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

_____

Chairman

Attest:

_____

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: October 16, 2001.

UNITED 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 $_____

(Form of)

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

Section 3.12. Sale of Bonds; Ratification and Execution of Loan Agreement. The Series 2001 A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached hereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.13. "Amended Schedule Filing". Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority and the BPH a schedule, the form of which will be provided by the BPH, 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 created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Series 2001 A Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The special funds or accounts hereby established with the Commission are the Series 2001 A Bonds Sinking Fund, and, within the Series 2001 A Bonds Sinking Fund, the Series 2001 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 2001 A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on said Series 2001 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 2001 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, if not fully funded upon issuance of the Series 2001 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 2001 A Reserve Account, an amount equal to 1/120 of the Series 2001 A Bonds Reserve Requirement; provided, that no further payments shall be made

into the Series 2001 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2001 A Bonds Reserve Requirement.

(4) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after commencement of operation of the Project, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2 % of the Gross Revenues each month, exclusive of any payments for account of the Series 2001 A Bonds Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 2001 A Bonds Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

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

All investment earnings on moneys in the Series 2001 A Bonds Reserve Account shall be transferred, not less than once each year, to the Construction Trust Fund prior to completion of the Project and thereafter to the Sinking Fund.

Any withdrawals from the Series 2001 A Bonds Reserve Account which result in a reduction in the balance of the Series 2001 A Bonds Reserve Account to fall below the Series 2001 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 2001 A Bonds Sinking Fund, including deficiencies for prior payments, have been made in full.

As and when additional Bonds ranking on a parity with the Series 2001 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such 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 Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund and the Reserve Account created hereunder,

and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Sinking Fund, including the Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any Parity Bonds that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if 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 2001 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

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

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

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

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the Reserve Accounts have not, as of such date, funded such account to the requirement therefor.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and used for any lawful purpose of the System.

## ARTICLE VI

## APPLICATION OF BONDS PROCEEDS

Section 6.01. Application of Bonds Proceeds; Pledge of Unexpended Bonds Proceeds. Moneys received from time to time from the sale of the Series 2001 A Bonds shall be deposited with the Depository Bank in the Series 2001 A Construction Trust Fund and applied solely to payment of costs of the Project, including paying the Notes in full in the manner set forth in Section 6.02 and until so expended are hereby pledged as additional security for the Series 2001 A Bonds.

The Depository Bank shall act as a trustee and fiduciary for the Bondholders with respect to the Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Construction Trust Fund set forth in this Resolution.

Section 6.02. Disbursements From the Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2001 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule.

Except as provided in Section 6.01 hereof, disbursements from the Series 2001 A Construction Trust Fund shall be made only after submission to the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) 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, moneys in the Series 2001 A Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

Section 6.03. Excess Bond Proceeds. Upon completion of the Project, any Series 2001 A Bonds proceeds not required for the Project Costs shall be applied as directed by the BPH.

## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER

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

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

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the Series 2001 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System. The Net Revenues derived from the System, in an amount sufficient to pay the principal of the Bonds herein authorized and to make the payments into the Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of the Bonds as the same become due, and for the other purposes provided in this Resolution.

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 are and shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Order of the Public Service Commission of West Virginia entered August 3, 2001 (Case No. 01-1039-W-PWD-PC), and such rates are hereby adopted.

So long as the Series 2001 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2001 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates 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. Except as otherwise required by law and with the consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the Series 2001 A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of the Series 2001 A Bonds. Any balance remaining after the payment of the Series 2001 A Bonds 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, in writing, determine upon consultation with the Consulting Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. So long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof. All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts as 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 liens of the Bonds, upon any of the income and revenues of the System pledged for payment of the Bonds in this Resolution, or upon the System or any part hereof.

The Issuer shall give the Authority and the BPH 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 any Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2001 A Bonds. The prior written consent of the Authority and BPH must be received prior to the issuance of any Parity Bonds.

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, 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 three 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 three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds including the revenues from new customers to be served, 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, as stated in a certificate made and signed by the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the 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 Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2001 A Bonds and the Holders of any Parity Bonds 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 respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2001 A Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project sites and the costs of acquiring, constructing and improving the Project. The Issuer shall permit the Authority and the BPH, or their duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Issuer shall submit to the Authority and the BPH such documents and information as they may reasonably require in connection with the acquisition, construction and improvement 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 BPH, or their agents and representatives, to have access to the records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the Uniform System of Accounts promulgated by the PSC. 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 initiate 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 BPH, and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of 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 Resolution with respect to said Bonds 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 thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to the Authority and the BPH, or any other purchaser of the Bonds. Such audit report submitted to the Authority and the BPH shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Resolution and that the Issuer's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements.

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

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

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreement for the Series 2001 A Bonds or as promulgated from time to time.

Section 7.09. Rates. Approvals of equitable rates or charges for the use of and service rendered by the System have been obtained all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for

contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirement are on deposit in the Reserve Account and all reserve accounts for obligations on a parity with the 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 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within thirty days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting 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 the Consulting 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 Authority and the BPH and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the BPH and to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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

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

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other

charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, 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 PSC, 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 7.13. No Free Services. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Connections to System. The Issuer will, to the extent authorized by the laws of the State and the rules and regulations of the PSC, require prospective users of the System to connect thereto.

Section 7.15. Insurance. The Issuer hereby covenants and agrees that so long as the Series 2001 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.

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

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR.

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

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

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

Section 7.16. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineer in the form similar to that attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH 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 BPH 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 on behalf of the Consulting Engineers, which have been approved by all necessary governmental bodies. The Consulting Engineer shall certify to the Authority, the BPH 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 agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of the Loan Agreements.

Section 7.17. Completion of Project; Permits and Orders. The Issuer hereby covenants and agrees to 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 applicable laws, rules and regulations issued by the BPH, the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

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

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Bonds and shall be for the benefit of all Registered Owners of Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer agrees to perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the BPH or other state, federal or local bodies in regard to the construction and acquisition of the Project and the operation, maintenance and use of the System.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

Section 7.21. Securities Law 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. Public Releases. The Issuer shall list the funding provided by the BPH 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 groundbreaking or dedication of the Project.

## ARTICLE VIII

## INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as any of the Bonds are Outstanding.

Section 8.02. Certificate and 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 2001 A Bonds as a condition to issuance of the Series 2001 A Bonds.

## ARTICLE IX

## DEFAULTS AND REMEDIES

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

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a 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, the Loan Agreement, and this Resolution relating thereto, (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 any express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Resolution with respect to the Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the 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, or both, 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 Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate

and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

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

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

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

## 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 2001 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2001 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. No material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

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

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

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and passage 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 applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

Adopted this 10th day of October, 2001.

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of EASTERN WYOMING PUBLIC SERVICE DISTRICT on the 10th day of October, 2001.

Dated: October 16, 2001.

[SEAL]

Dallas J. Cecil
Secretary

177577

EASTERN WYOMING PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, REDEMPTION PROVISION AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), OF EASTERN WYOMING PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the public service board (the "Governing Body") of Eastern Wyoming Public Service District (the "Issuer") has duly and officially adopted a Resolution, effective October 10, 2001 (the "Resolution") entitled:

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS OF WATER TREATMENT AND DISTRIBUTION FACILITIES BY EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $360,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 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 meanings set forth in the Resolution when used herein;

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program) (the "Bonds"), of the Issuer, in the aggregate principal amount of not more than $360,000 and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Bureau for Public Health (the "BPH"), all in accordance with Chapter 16, Article 13A, and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution, it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, interest rate, interest and principal payment dates, redemption provision and other terms of the Bonds should be established by a supplemental resolution thereto and that other matters relating to the Bonds be therein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF EASTERN WYOMING 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 Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer, initially represented by a single Bond, numbered AR-1, in the principal amount of $360,000. The Series 2001 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2031, and shall bear no interest. The principal shall be payable quarterly on March 1, June 1, September 1, and December 1, of each year, first installment payable March 1, 2002, in the amounts set forth in the Schedule Y attached to the Loan Agreement, and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds, and shall be payable in the amounts as set forth in the Loan Agreement and incorporated therein by reference. The Bonds shall be sold to the Authority in accordance with the terms of the Loan Agreement at a price equal to 100% of the principal amount thereof.

Section 2. The Issuer does hereby approve and shall pay the Administrative Fee equal to 1% of the principal amount of the Series 2001 A Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 3. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Resolution.

Section 4. The Issuer does hereby ratify, approve and accept the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman; and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the BPH and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon; provided that, the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate United National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 6. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Resolution.

Section 7. The Issuer hereby appoints and designates The Peoples Bank of Mullens, located in Mullens, West Virginia, as the Depository Bank under the Resolution.

Section 8. The Chairman and the Secretary are hereby authorized and directed to execute and deliver the Bonds and such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority on or about October 16, 2001, pursuant to the Loan Agreement.

Section 9. The acquisition, construction and improvement of the Project and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 10. The Issuer hereby directs the Depository Bank to initially invest all monies in the funds and accounts established under the Bond Resolution in money market accounts secured by a pledge of Government Obligations until further directed by the Issuer.

Section 11. The Chairman, Secretary, Treasurer and Consulting Engineer are hereby authorized and directed to requisition the BPH for costs incurred for the Project and upon receipt of proceeds from the Authority, shall deposit the proceeds in the Series 2001 A Construction Trust Fund and pay any approved Costs of the Project.

Section 12. On the Closing Date, the Issuer shall use proceeds of the Bonds in the amount of $360,000 to pay in full the entire outstanding principal of the Notes. The Issuer shall use its own funds in the amount of $3,092.41 to pay all interest and fees accrued on the Notes.

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

Adopted this 10th day of October, 2001.

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 10th day of October, 2001.

Dated: October 16, 2001.

[SEAL]

Dallas J. Cecil

Secretary

180579

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2001 A
(WEST VIRGINIA DWTRF PROGRAM)

**SPECIMEN**

No. AR-1
$360,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, the principal sum of THREE HUNDRED SIXTY THOUSAND DOLLARS ($360,000.00) 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 March 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on said EXHIBIT B.

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 Bureau for Public Health (the "BPH"), 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 BPH, dated October 16, 2001.

This Bond is issued to refund the Issuer's Water System Notes, Series 2001 A (West Virginia Water Development Authority) which were issued (i) to temporarily pay the costs of the acquisition, construction and improvement

by the Issuer of a water development project (the "Project"), and (ii) to pay the costs of issuance hereof and related costs. The Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on October 10, 2001, and a Supplemental Resolution duly adopted by the Issuer on October 10, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

SPECIMEN

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2001 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 moneys in the Series 2001 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; provided however, that so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the

Registrar (as defined in the Bond Legislation), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 and the statutes under which this Bond is issued shall be deemed to be part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

**SPECIMEN**

IN WITNESS WHEREOF, EASTERN WYOMING PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated October 16, 2001.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

SPECIMEN

Chairman

Attest:

Secretary

## CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: October 16, 2001.

SPECIMEN

UNITED NATIONAL BANK,
as Registrar

Authorized officer

EXHIBIT A

RECORD OF ADVANCES

SPECIMEN

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $360,000.00 | October 16, 2001 | 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 $360,000.00

# EXHIBIT B

SPECIMEN

## Eastern Wyoming PSD

*Loan of $360,000*
*0% Interest Rate, 1% Administrative Fee, 30 Years*
*Closing Date: October 16, 2001*

**DEBT SERVICE SCHEDULE**

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 12/01/2001 | - | - | - |
| 3/01/2002 | 3,000.00 | - | 3,000.00 |
| 6/01/2002 | 3,000.00 | - | 3,000.00 |
| 9/01/2002 | 3,000.00 | - | 3,000.00 |
| 12/01/2002 | 3,000.00 | - | 3,000.00 |
| 3/01/2003 | 3,000.00 | - | 3,000.00 |
| 6/01/2003 | 3,000.00 | - | 3,000.00 |
| 9/01/2003 | 3,000.00 | - | 3,000.00 |
| 12/01/2003 | 3,000.00 | - | 3,000.00 |
| 3/01/2004 | 3,000.00 | - | 3,000.00 |
| 6/01/2004 | 3,000.00 | - | 3,000.00 |
| 9/01/2004 | 3,000.00 | - | 3,000.00 |
| 12/01/2004 | 3,000.00 | - | 3,000.00 |
| 3/01/2005 | 3,000.00 | - | 3,000.00 |
| 6/01/2005 | 3,000.00 | - | 3,000.00 |
| 9/01/2005 | 3,000.00 | - | 3,000.00 |
| 12/01/2005 | 3,000.00 | - | 3,000.00 |
| 3/01/2006 | 3,000.00 | - | 3,000.00 |
| 6/01/2006 | 3,000.00 | - | 3,000.00 |
| 9/01/2006 | 3,000.00 | - | 3,000.00 |
| 12/01/2006 | 3,000.00 | - | 3,000.00 |
| 3/01/2007 | 3,000.00 | - | 3,000.00 |
| 6/01/2007 | 3,000.00 | - | 3,000.00 |
| 9/01/2007 | 3,000.00 | - | 3,000.00 |
| 12/01/2007 | 3,000.00 | - | 3,000.00 |
| 3/01/2008 | 3,000.00 | - | 3,000.00 |
| 6/01/2008 | 3,000.00 | - | 3,000.00 |
| 9/01/2008 | 3,000.00 | - | 3,000.00 |
| 12/01/2008 | 3,000.00 | - | 3,000.00 |
| 3/01/2009 | 3,000.00 | - | 3,000.00 |
| 6/01/2009 | 3,000.00 | - | 3,000.00 |
| 9/01/2009 | 3,000.00 | - | 3,000.00 |
| 12/01/2009 | 3,000.00 | - | 3,000.00 |
| 3/01/2010 | 3,000.00 | - | 3,000.00 |
| 6/01/2010 | 3,000.00 | - | 3,000.00 |
| 9/01/2010 | 3,000.00 | - | 3,000.00 |
| 12/01/2010 | 3,000.00 | - | 3,000.00 |
| 3/01/2011 | 3,000.00 | - | 3,000.00 |
| 6/01/2011 | 3,000.00 | - | 3,000.00 |
| 9/01/2011 | 3,000.00 | - | 3,000.00 |
| 12/01/2011 | 3,000.00 | - | 3,000.00 |
| 3/01/2012 | 3,000.00 | - | 3,000.00 |
| 6/01/2012 | 3,000.00 | - | 3,000.00 |
| 9/01/2012 | 3,000.00 | - | 3,000.00 |
| 12/01/2012 | 3,000.00 | - | 3,000.00 |
| 3/01/2013 | 3,000.00 | - | 3,000.00 |
| 6/01/2013 | 3,000.00 | - | 3,000.00 |
| 9/01/2013 | 3,000.00 | - | 3,000.00 |
| 12/01/2013 | 3,000.00 | - | 3,000.00 |
| 3/01/2014 | 3,000.00 | - | 3,000.00 |

Ferris, Baker Watts, Inc.
West Virginia Public Finance Office

File = Eastern Wyoming County PSD Loans.sf

SPECIMEN

## Eastern Wyoming PSD

*Loan of $360,000*
*0% Interest Rate, 1% Administrative Fee, 30 Years*
*Closing Date: October 16, 2001*

### DEBT SERVICE SCHEDULE

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 6/01/2014 | 3,000.00 | - | 3,000.00 |
| 9/01/2014 | 3,000.00 | - | 3,000.00 |
| 12/01/2014 | 3,000.00 | - | 3,000.00 |
| 3/01/2015 | 3,000.00 | - | 3,000.00 |
| 6/01/2015 | 3,000.00 | - | 3,000.00 |
| 9/01/2015 | 3,000.00 | - | 3,000.00 |
| 12/01/2015 | 3,000.00 | - | 3,000.00 |
| 3/01/2016 | 3,000.00 | - | 3,000.00 |
| 6/01/2016 | 3,000.00 | - | 3,000.00 |
| 9/01/2016 | 3,000.00 | - | 3,000.00 |
| 12/01/2016 | 3,000.00 | - | 3,000.00 |
| 3/01/2017 | 3,000.00 | - | 3,000.00 |
| 6/01/2017 | 3,000.00 | - | 3,000.00 |
| 9/01/2017 | 3,000.00 | - | 3,000.00 |
| 12/01/2017 | 3,000.00 | - | 3,000.00 |
| 3/01/2018 | 3,000.00 | - | 3,000.00 |
| 6/01/2018 | 3,000.00 | - | 3,000.00 |
| 9/01/2018 | 3,000.00 | - | 3,000.00 |
| 12/01/2018 | 3,000.00 | - | 3,000.00 |
| 3/01/2019 | 3,000.00 | - | 3,000.00 |
| 6/01/2019 | 3,000.00 | - | 3,000.00 |
| 9/01/2019 | 3,000.00 | - | 3,000.00 |
| 12/01/2019 | 3,000.00 | - | 3,000.00 |
| 3/01/2020 | 3,000.00 | - | 3,000.00 |
| 6/01/2020 | 3,000.00 | - | 3,000.00 |
| 9/01/2020 | 3,000.00 | - | 3,000.00 |
| 12/01/2020 | 3,000.00 | - | 3,000.00 |
| 3/01/2021 | 3,000.00 | - | 3,000.00 |
| 6/01/2021 | 3,000.00 | - | 3,000.00 |
| 9/01/2021 | 3,000.00 | - | 3,000.00 |
| 12/01/2021 | 3,000.00 | - | 3,000.00 |
| 3/01/2022 | 3,000.00 | - | 3,000.00 |
| 6/01/2022 | 3,000.00 | - | 3,000.00 |
| 9/01/2022 | 3,000.00 | - | 3,000.00 |
| 12/01/2022 | 3,000.00 | - | 3,000.00 |
| 3/01/2023 | 3,000.00 | - | 3,000.00 |
| 6/01/2023 | 3,000.00 | - | 3,000.00 |
| 9/01/2023 | 3,000.00 | - | 3,000.00 |
| 12/01/2023 | 3,000.00 | - | 3,000.00 |
| 3/01/2024 | 3,000.00 | - | 3,000.00 |
| 6/01/2024 | 3,000.00 | - | 3,000.00 |
| 9/01/2024 | 3,000.00 | - | 3,000.00 |
| 12/01/2024 | 3,000.00 | - | 3,000.00 |
| 3/01/2025 | 3,000.00 | - | 3,000.00 |
| 6/01/2025 | 3,000.00 | - | 3,000.00 |
| 9/01/2025 | 3,000.00 | - | 3,000.00 |
| 12/01/2025 | 3,000.00 | - | 3,000.00 |
| 3/01/2026 | 3,000.00 | - | 3,000.00 |
| 6/01/2026 | 3,000.00 | - | 3,000.00 |
| 9/01/2026 | 3,000.00 | - | 3,000.00 |

## Eastern Wyoming PSD

*Loan of $360,000*
*0% Interest Rate, 1% Administrative Fee, 30 Years*
*Closing Date: October 16, 2001*

SPECIMEN

### DEBT SERVICE SCHEDULE

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 12/01/2026 | 3,000.00 | - | 3,000.00 |
| 3/01/2027 | 3,000.00 | - | 3,000.00 |
| 6/01/2027 | 3,000.00 | - | 3,000.00 |
| 9/01/2027 | 3,000.00 | - | 3,000.00 |
| 12/01/2027 | 3,000.00 | - | 3,000.00 |
| 3/01/2028 | 3,000.00 | - | 3,000.00 |
| 6/01/2028 | 3,000.00 | - | 3,000.00 |
| 9/01/2028 | 3,000.00 | - | 3,000.00 |
| 12/01/2028 | 3,000.00 | - | 3,000.00 |
| 3/01/2029 | 3,000.00 | - | 3,000.00 |
| 6/01/2029 | 3,000.00 | - | 3,000.00 |
| 9/01/2029 | 3,000.00 | - | 3,000.00 |
| 12/01/2029 | 3,000.00 | - | 3,000.00 |
| 3/01/2030 | 3,000.00 | - | 3,000.00 |
| 6/01/2030 | 3,000.00 | - | 3,000.00 |
| 9/01/2030 | 3,000.00 | - | 3,000.00 |
| 12/01/2030 | 3,000.00 | - | 3,000.00 |
| 3/01/2031 | 3,000.00 | - | 3,000.00 |
| 6/01/2031 | 3,000.00 | - | 3,000.00 |
| 9/01/2031 | 3,000.00 | - | 3,000.00 |
| 12/01/2031 | 3,000.00 | - | 3,000.00 |
| **Total** | **360,000.00** | - | **360,000.00** * |

### YIELD STATISTICS

| | |
|---|---|
| Bond Year Dollars | $5,490.00 |
| Average Life | 15.250 Years |
| Average Coupon | - |
| Net Interest Cost (NIC) | - |
| True Interest Cost (TIC) | 1.11E-13 |
| Bond Yield for Arbitrage Purposes | 1.11E-13 |
| All Inclusive Cost (AIC) | 0.9921983% |

### IRS FORM 8038

| | |
|---|---|
| Net Interest Cost | - |
| Weighted Average Maturity | 15.250 Years |

Ferris, Baker Watts, Inc.
West Virginia Public Finance Office

File = Eastern Wyoming County PSD Loans.sf

*Plus $453.75 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $54,450.

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

SPECIMEN

_____

IN THE PRESENCE OF:

_____

177602

**BOND RESOLUTION**

**Authorizing**

**EASTERN WYOMING PUBLIC SERVICE DISTRICT**
**WATER REVENUE BONDS, 2004 SERIES A (WEST VIRGINIA DWTRF PROGRAM)**

Adopted: August 23, 2004

## Table of Contents


Page

**ARTICLE I**

**DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS**

Section 1.01 Definitions....5
Section 1.02 Authority for this Resolution....16
Section 1.03 Findings....16
Section 1.04 Bond Legislation Constitutes Contract....18

**ARTICLE II**

**AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; AUTHORIZATION OF OPERATION AND MAINTENANCE OF THE PROJECT**

Section 2.01 Authorization of the Acquisition and Construction of the Project....18
Section 2.02 Approval of Operation and Maintenance of the System....18

**ARTICLE III**

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

Section 3.01 Authorization of Bonds....19
Section 3.02 Term of Bonds....19
Section 3.03 Execution of Bonds....20
Section 3.04 Authentication and Registration....20
Section 3.05 Negotiability, Transfer and Registration....20
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost....21
Section 3.07 Bonds Not to be Indebtedness of the Issuer....21
Section 3.08 Bonds Secured by Pledge of Net Revenues....22
Section 3.09 Delivery of Bonds....22
Section 3.10 Form of Bonds....22
Section 3.11 Sale of Bonds; Ratification and Execution of Loan Agreement....22
Section 3.12 Amended Schedule Filing....23

**ARTICLE IV**

**[RESERVED]**

## ARTICLE V

## FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF


Section 5.01 Establishment of Funds and Accounts with Depository Bank.....25
Section 5.02 Establishment of Funds and Accounts with Commission.....25
Section 5.03 System Revenues; Flow of Funds.....25


## ARTICLE VI

## APPLICATION OF BONDS PROCEEDS


Section 6.01 Application of Bonds Proceeds; Pledge of Unexpended Bonds.....29
Section 6.02 Disbursements From the Construction Trust Fund.....29
Section 6.03 Excess Bond Proceeds.....30


## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER


Section 7.01 General Covenants of the Issuer.....30
Section 7.02 Bonds not to be Indebtedness of the Issuer.....30
Section 7.03 Bonds Secured by Pledge of Net Revenues; Lien Position.....30
Section 7.04 Initial Schedule of Rates and Charges.....31
Section 7.05 Sale of the System.....31
Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.....32
Section 7.07 Parity Bonds.....33
Section 7.08 Books; Records and Audit.....35
Section 7.09 Rates.....37
Section 7.10 Operating Budget and Monthly Financial Report.....37
Section 7.11 No Competing Franchise.....38
Section 7.12 Enforcement of Collections.....38
Section 7.13 No Free Services.....39
Section 7.14 Connections to System.....39
Section 7.15 Insurance.....39
Section 7.16 Engineering Services and Operating Personnel.....41
Section 7.17 Completion of Project; Permits and Orders.....41
Section 7.18 Statutory Mortgage Lien.....42
Section 7.19 Compliance with Loan Agreement and Law.....42
Section 7.20 PSC Order.....42
Section 7.21 Securities Law Compliance.....42
Section 7.22 Public Releases.....42
Section 7.23 Contracts.....42

## ARTICLE VIII

## INVESTMENT OF FUNDS

Section 8.01 Investments ..... 43
Section 8.02 Certificate and Covenants as to Use of Proceeds ..... 43

## ARTICLE IX

## DEFAULTS AND REMEDIES

Section 9.01 Events of Default ..... 44
Section 9.02 Remedies ..... 44
Section 9.03 Appointment of Receiver ..... 44

## ARTICLE X

## PAYMENT OF BONDS

Section 10.01 Pa yment of Bonds ..... 46

## ARTICLE XI

## MISCELLANEOUS

Section 11.01 Amendment o r Modification of Resolution ..... 46
Section 11.02 Resolution Consti tutes Contract ..... 47
Section 11.03 Severabilit y of Invalid Provisions ..... 47
Section 11.04 Headin gs, Etc. ..... 47
Section 11.05 Conflicting Provisions Repealed ..... 47
Section 11.06 Covenant of Due Pro cedure, Etc. ..... 47
Section 11.07 Effective Date ..... 47
Exhibit A – Form of Bonds

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND ADDITIONS TO THE EXISTING PUBLIC WATER TREATMENT AND DISTRIBUTION FACILITIES OF THE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF $570,000 IN AGGREGATE PRINCIPAL AMOUNT OF EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, 2004 SERIES A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

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

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

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the 2004 Series A Bonds.

"Application" means the application, with attachments and exhibits, filed by the Issuer with the BPH for a DWTRF loan.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the 2004 Series A Bonds acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

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

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

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

"Bond Registrar" or "Registrar" means United Bank, Inc., Charleston, West Virginia, and its successors and assigns.

"Bonds" means, collectively, the 2004 Series A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or 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.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the 2004 Series A Bonds for all or a portion of the proceeds of the 2004 Series A Bonds.

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

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

"Consulting Engineer" or "Consulting Engineers" means Pentree, Incorporated, Princeton, 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 in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03 D hereof to be part of the cost of acquisition and construction of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Council Act" means Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended, and in effect on the date of the adoption of this Resolution.

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

"Depository Bank" means The Peoples Bank of Mullens, Mullens, West Virginia, and its successors and assigns.

"DWTRF Loan" means the West Virginia Drinking Water Treatment Revolving Fund Loan in the amount of $570,000.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

"Governmental Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America including (i) such obligations which have been stripped from their

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

"Grant Receipts" means all moneys received by the Issuer on account of any Grant to pay Costs of the Project.

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

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

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as reference in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by an profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

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

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

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

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

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

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

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

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

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

"Issuer" means Eastern Wyoming Public Service District, a public service district and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

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

"LCPSD" means the Logan County Public Service District, or any successor thereto, which operates and maintains the System for the Issuer pursuant to an agreement dated August 30, 2001, by and between the Issuer and LCPSD.

"Managing Engineer" means the managing engineer of the Issuer or any successor thereto.

"Net Proceeds" means the face amount of the 2004 Series A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the 2004 Series 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 2004 Series A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

"Notes" means the Eastern Wyoming Public Service District Water System Design Notes, 2002 Series A (West Virginia Infrastructure Fund) dated June 4, 2002, issued in the original principal amount of $200,000.

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

"Operation and Maintenance Agreement" means that certain Agreement dated August 30, 2001 by and between the LCPSD and the Issuer, pursuant to which the LCPSD operates and maintains the Issuer's System.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment

(whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article VI hereof.

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

"Paying Agent" means the West Virginia Municipal Bond Commission and its successors and assigns.

"Prior Bonds" means the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000.

"Prior Resolution" means resolution of the Issuer authorizing the Prior Bonds adopted on October 10, 2001.

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

"Project" means the Project described in Section 1.03B hereof.

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

"PSC Order" means the Recommended Decision entered April 16, 2004, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on May 6, 2004, with all requisite appeal periods having expired without successful appeal, and a Commission Order entered August 16, 2004, in Case No. 03-0980-PWD-CN, among other things, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of the August 16, 2004 Commission Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal the August 16, 2004 Commission Order, and the only other party to Case No. 03-0980-PWD-CN, the Commission Staff, has stated that it does not intend to appeal the August 16, 2004 Commission Order. Both orders are in full force and effect.

"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 Unites 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 practical coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolution and continued by Section 5.01(2) hereof.

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

"Resolution" means this resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution and continued by Section 5.01(1) hereof.

"Secretary" means the Secretary of the Issuer.

"Sinking Funds" shall mean, collectively, the respective Sinking Funds established for the 2004 Series A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer, amending or supplementing this Resolution and when preceded by the article "the" refers specifically to the Supplemental Resolution authorizing the sale of the 2004 Series A Bonds to the original purchaser, provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the 2004 Series A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the 2004 Series A Bonds, the Prior Bonds or any other obligations of the Issuer, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and Sinking Funds.

"System" means the complete existing waterworks system of the Issuer, including the Project, and any improvements and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"USEDA Grant" means the United States Economic Development Administration Grant in the amount of $1,800,000.

"USEDA Grant Agreement" means a written commitment for the payment of the United States Economic Development Administration Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund Program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the Federal Safe Drinking Water Act, as amended, for the purpose of providing, establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

"WVIJDC Grant" means the West Virginia Infrastructure and Jobs Development Council Grant in the amount of $592,338.

"WVIJDC Grant Agreement" means a written commitment for the payment of the West Virginia Infrastructure and Jobs Development Council Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"2004 Series A Bonds" means the $570,000 in aggregate principal amount of Eastern Wyoming Public Service District Water Revenue Bonds, 2004 Series A (West Virginia DWTRF Program), of the Issuer originally authorized hereby.

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

"2004 Series A Bonds Reserve Account" or "Reserve Account" means the Reserve Account established in the 2004 Series A Bonds Sinking Fund pursuant to Section 5.02.

"2004 Series A Bonds Reserve Requirement" or "Reserve Requirement" means as of any date of calculation the maximum amount of principal and interest which will become due on the 2004 Series A Bonds in the then current or any succeeding year.

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

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

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

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

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

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof (the "Bond Legislation"), is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer is a public service district and a public corporation and political subdivision of the State, located in and near Mullens, Wyoming County, West

Virginia, created pursuant to the Act by an order issued by The County Commission of Wyoming County, West Virginia.

B. The Issuer presently owns and operates a public water system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Issuer acquire and construct certain additions, improvements and extensions to the existing public water facilities of the Issuer, consisting of improvements to the Issuer's water system, and replacement of portions of the water distribution system in Wyoming County, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the treatment and distribution of potable water (the existing public water system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have heretofore been filed with the Issuer and to pay the cost of issuance hereof and related costs,.

C. The estimated maximum cost of the construction and acquisition of the Project is approximately $2,962,338, of which approximately $570,000 will be permanently financed by the 2004 Series A Bonds herein authorized. The remaining cost will be funded with a $1,800,000 USEDA Grant and a $592,338 WVIJDC Grant. The Issuer has heretofore issued the Notes to temporarily finance a portion of the costs of design of the Project. The Issuer hereby determines that it is in its best interest to pay the entire outstanding principal of and all administrative fees on the Notes with proceeds of the WVIJDC Grant on the Closing Date.

D. It is necessary for the Issuer to issue its Water Revenue Bonds, 2004 Series A (West Virginia DWTRF Program), in the aggregate principal amount of $570,000 to permanently finance in part the cost of acquisition and construction of the Project, and to pay the cost of issuance thereof. Said costs shall be deemed to include the repayment of the principal of and administrative fee on the Notes, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering and legal expenses; expenses for estimates of costs and revenues and for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, commitment fees, fees of the Authority, initial fees for the services of registrars, and the placing of the Project 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 2004 Series A Bonds or the repayment of indebtedness, incurred by the Issuer for such purposes shall be deemed part of the Costs of the Project.

E. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the Operating Expenses of the System, the principal of and interest on the Prior Bonds, the 2004 Series A

Bonds and all sinking funds, reserve accounts and other payments provided for herein, and in the Prior Resolution.

F. The period of usefulness of the System after completion of the Project is not less than 30 years.

G. There are outstanding obligations of the Issuer which will rank on parity with the 2004 Series A Bonds as to liens, pledge, and source of and security for payment, which obligations are designated and have the lien positions with respect to the 2004 Series A Bonds as follows:

| Designation | Lien Position |
|---|---|
| Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, in the original principal amount of $360,000 (the "Prior Bonds") | First Lien |

The 2004 Series A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements for issuance of bonds on a parity with the Prior Bonds and the resolution authorizing the Prior Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the 2004 Series A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the 2004 Series 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.

H. It is in the best interests of the Issuer that the 2004 Series A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, operation of the System, and the issuance of the 2004 Series A Bonds, or will have so complied prior to the issuance of the 2004 Series A Bonds, including, among other things, the obtaining of the PSC Order.

J. The Project has been approved by the Council, and the Authority, on behalf of BPH, has agreed to make the DWTRF Loan to the Issuer.

K. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner

which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 2004 Series A Bonds by those who shall be 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 benefit, protection and security of the Registered Owners of the 2004 Series A Bonds.

## ARTICLE II

## AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; AUTHORIZATION OF OPERATION AND MAINTENANCE 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 $2,962,338 in accordance with the plans and specifications which have been prepared by the Consulting Engineers and heretofore filed in the office of the Governing Body. The proceeds of the 2004 Series A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount and otherwise compatible with the plan of financing described in the application to the Authority, the BPH and the Council.

Section 2.02. Approval of Operation and Maintenance of the System. The Issuer hereby approves the operation and maintenance of the System by LCPSD, for and on behalf of the Issuer, along with any other assets of the Issuer that the Issuer may desire for LCPSD to operate and maintain, pursuant to the Operation and Maintenance Agreement.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Costs of the Project and paying certain costs of issuance and related costs, there shall be and hereby are authorized to be issued negotiable bonds of the Issuer. Said 2004 Series

A Bonds shall be issued as a single bond, to be designated the "Eastern Wyoming Public Service District Water Revenue Bonds, 2004 Series A (West Virginia DWTRF Program),", in the aggregate principal amount of $570,000, and shall have such terms as are set forth hereinafter in this Resolution or any Supplemental Resolution thereto. The proceeds of the 2004 Series A Bonds shall be deposited in the 2004 Series A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Term of Bonds. The 2004 Series A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts and at such times as shall be set forth in Schedule Y to the Loan Agreement; the terms of which are incorporated herein by reference. In the event of an inconsistency between the terms hereof and said Loan Agreement, the terms of the Loan Agreement shall apply; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in this Resolution. The repayment of principal, interest and the Administrative Fee on the 2004 Series A Bonds shall be as set forth in Schedule Y to the Loan Agreement. The 2004 Series 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 and private debts under the laws of the United States of America. Interest on the 2004 Series A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by this Resolution or any Supplemental Resolution thereto, the 2004 Series A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule and a record of advances attached, representing the aggregate principal amount of the 2004 Series A Bonds. The 2004 Series A Bonds shall be exchangeable at the option and expense of the Holder for another fully registered bond 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 bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The 2004 Series A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto and attested by the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the 2004 Series A Bonds shall cease to be such officer of the Issuer before the 2004 Series A Bonds so signed and sealed shall have been actually sold or delivered, such 2004 Series A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2004 Series A Bonds had not ceased to hold such office. Any 2004 Series 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 2004 Series A Bonds shall hold the proper office of the Issuer, although

at the date of such 2004 Series A Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No 2004 Series A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Bond Registrar if 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 2004 Series A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the 2004 Series A Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said 2004 Series A Bonds, shall be conclusively deemed to have agreed that said 2004 Series A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said 2004 Series A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the 2004 Series A Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the 2004 Series A Bonds.

The 2004 Series A Bonds shall be transferrable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the 2004 Series A Bonds or transferring the 2004 Series A Bonds is exercised, such Bonds shall be delivered in accordance with the provisions of this Resolution. All 2004 Series A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of 2004 Series 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 obligated to make any such exchange or transfer of 2004 Series A Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the 2004 Series A Bonds or, in the case of any proposed redemption of 2004 Series A Bonds, next preceding the date of the selection of 2004 Series A 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 of the 2004 Series A 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 the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and Bond Registrar may incur. All 2004 Series A 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 2004 Series A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts in the 2004 Series A Bonds Reserve Account. No Holder of any of the 2004 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 2004 Series A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on all the 2004 Series A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on 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 2004 Series A Bonds and the Prior Bonds and to make the payments into the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund hereinafter established, and established in the Prior Resolution, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the 2004 Series A Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the 2004 Series A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the 2004 Series A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the 2004 Series 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 2004 Series A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the 2004 Series A Bonds.

Section 3.10. Form of Bonds. The text of the 2004 Series A Bonds shall be in substantially the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or by any Supplemental Resolution thereto adopted prior to the issuance thereof.

Section 3.11. Sale of Bonds; Ratification and Execution of Loan Agreement. The 2004 Series A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached hereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. Amended Schedule Filing. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority, the BPH and the Council a schedule, the form of which will be provided by the BPH, 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 created with (or continued if previously established by the Prior Resolution) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank:

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

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

(3) 2004 Series A Bonds Construction Trust Fund.

The Issuer hereby appoints and designates The Peoples Bank of Mullens, located in Mullens, West Virginia, as the Depository Bank under the Resolution.

Section 5.02. Establishment of Funds and Accounts with Commission. The special funds or accounts hereby established with the Commission are the 2004 Series A Bonds Sinking Fund, and the 2004 Series 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 created pursuant to the Prior Resolution. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the principal payment for the Prior Bonds required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2004 Series A Bonds, for deposit in the 2004 Series A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the 2004 Series 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 2004 Series 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,

one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Account for the Prior Bonds, the amount required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2004 Series A Bonds, if not fully funded upon issuance of the 2004 Series A Bonds, for deposit in the 2004 Series A Bonds Reserve Account, an amount equal to 1/120 of the 2004 Series A Bonds Reserve Requirement; provided, that no further payments shall be made into the 2004 Series A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the 2004 Series A Bonds Reserve Requirement.

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

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

All investment earnings on moneys in the 2004 Series A Bonds Reserve Account shall be transferred, not less than once each year, to the 2004 Series A Bonds Construction Trust Fund prior to completion of the Project and thereafter to the 2004 Series A Bonds Sinking Fund.

Any withdrawals from the 2004 Series A Bonds Reserve Account which result in a reduction in the balance of such account to below the 2004 Series A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the 2004 Series A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on and principal of such Parity Bonds and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Commission is hereby designated as the fiscal agent for the administration of the 2004 Series A Bonds Sinking Fund and the 2004 Series A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the Issuer shall make the necessary arrangements whereby required payments into such accounts are automatically debited from the Revenue Fund and electronically transferred to the Commission on the required date.

Moneys in the 2004 Series A Bonds Reserve Account and 2004 Series A Bonds Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The 2004 Series A Bonds Sinking Fund and the 2004 Series A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the 2004 Series A Bonds under the conditions and restrictions hereinafter set forth.

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

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

Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

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

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

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

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the 2004 Series A Bonds Reserve Account have not, as of such date, funded such account to the requirement therefor.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the 2004 Series A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and used for any lawful purpose of the System.

## ARTICLE VI

## APPLICATION OF BONDS PROCEEDS

Section 6.01. Application of Bonds Proceeds; Pledge of Unexpended Bonds Proceeds. Moneys received from time to time from the sale of the 2004 Series A Bonds shall be deposited with the Depository Bank in the 2004 Series A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project and until so expended are hereby pledged as additional security for the 2004 Series A Bonds.

Section 6.02. Disbursements From the Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority, the BPH and the Council a report listing the specific purposes for which the proceeds of the 2004 Series A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the 2004 Series A Bonds Construction Trust Fund shall be made only after submission to the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) 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 Costs 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, moneys in the 2004 Series A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

Section 6.03. Excess Bond Proceeds. Upon completion of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the 2004 Series A Bonds shall be applied as directed by the BPH.

## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The 2004 Series A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Holder of any 2004 Series A Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said 2004 Series A Bonds.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the 2004 Series A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on parity with the lien on said Net Revenues in favor of the holders of the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of the Prior Bonds and the 2004 Series A Bonds herein authorized and to make the payments into the all funds and accounts, and all other payments provided for in this Resolution and the Prior Resolution are hereby irrevocably pledgedto such payments as the same become due, and for the other purposes provided in this Resolution.

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 are and shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision entered April 16, 2004, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on May 6, 2004, with all requisite appeal periods having expired without successful appeal, and a Commission Order entered August 16, 2004, in Case No. 03-0980-PWD-CN, among other things, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of the August 16, 2004 Commission Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal the August 16, 2004 Commission Order, and the only other party to Case No. 03-0980-PWD-CN, the Commission Staff, has stated that it does not intend to appeal the August 16, 2004 Commission Order. Both orders are in full force and effect.

So long as the 2004 Series A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the requirements of the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the 2004 Series A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates 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 the System, except as provided in the Prior Resolution. Additionally, so long as the 2004 Series A Bonds are outstanding and except as otherwise required by law and with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the 2004 Series A Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the 2004 Series A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and the Administrative Fee on the 2004 Series A Bonds. Any balance remaining after the payment of the 2004 Series A Bonds 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, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holder 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. So long as any of the 2004 Series A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the 2004 Series A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolution (as long as the Prior Bonds are Outstanding). All obligations hereafter

issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the 2004 Series A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolution 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 liens of the 2004 Series A Bonds, upon any of the income and revenues of the System pledged for payment of the 2004 Series A Bonds and the interest thereon in this Resolution, or upon the System or any part hereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the 2004 Series A Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided and in the Prior Resolution so long as the Prior Bonds are outstanding.

All Parity Bonds issued hereunder shall be on a parity in all respects with the 2004 Series A Bonds. The prior written consent of the Authority and BPH must be received prior to the issuance of any Parity Bonds.

No such Parity Bonds shall be issued except for the purposes of financing the costs of the design, construction or acquisition of extensions, additions, 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 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 three succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds including the revenues from new customers to be served, 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, as stated in a certificate jointly made and signed by the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the 2004 Series A Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Any Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for 2004 Series A Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2004 Series A Bonds.

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

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

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of 2004 Series A Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the Uniform System of Accounts promulgated by the PSC. 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 initiate 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 BPH, and the Authority, or any other original purchaser of the 2004 Series A Bonds, and shall mail in each year to any Holder of 2004 Series A Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution 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 thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder of 2004 Series A Bonds and shall submit said report to the Authority, the BPH and the Council, or any other purchaser of the 2004 Series A Bonds. Such audit report submitted to the Authority, the BPH and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Resolution and that the Issuer's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements.

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

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

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

Section 7.09. Rates. Approvals of equitable rates or charges for the use of and service rendered by the System have been obtained all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the 2004 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2004 Series A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the 2004 Series A Bonds Reserve Requirement are on deposit in the 2004 Series A Bonds Reserve Account and all reserve accounts for obligations on a parity with the 2004 Series A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of, and interest on the 2004 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2004 Series A Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority, the BPH and the Council within thirty days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing 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 the Managing 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 Authority, the BPH and the Council and to any Holder of any 2004 Series A Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the BPH and the Council and to any Holder of any 2004 Series A Bonds or anyone acting for and in behalf of such Holder of any 2004 Series A Bonds.

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

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

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

Whenever any rates, fees, rentals or other charges for the services or facilities of the System remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities provided, is delinquent and the user is liable at law until such time as all such rates, fees and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, 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 promulgated by the PSC, 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 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of

the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Connections to System. The Issuer will, to the extent authorized by the laws of the State and the rules and regulations of the PSC, require prospective users of the System to connect thereto.

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

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

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

arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Section 38-2-39.

(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.

(7) PERFORMANCE AND PAYMENT OR COMPLETION BONDS, (A) 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 of the Project.

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

Section 7.16. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineer in the form similar to that attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority, the BPH and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the BPH 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. The Consulting Engineer shall certify to the Authority, the BPH and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit a final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the Issuer when the Project is 90% completed. The Issuer shall, at all times, provide operation and maintenance of the System in compliance with any and all State and Federal standards. The Issuer shall employ qualified operating personnel, properly certified by the State, before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

Section 7.17. Completion of Project; Permits and Orders. The Issuer hereby covenants and agrees to 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 applicable laws, rules and regulations issued by the BPH, the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

The Issuer has obtained all permits and approvals required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the PSC and the Council necessary for the acquisition and construction of the Project

and the operation of the System and all approvals for issuance of the 2004 Series A Bonds required by State law.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holder of the 2004 Series 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 2004 Series A Bonds, shall be for the benefit of all Registered Owners of 2004 Series A Bonds and shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer agrees to perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the BPH or other state, federal or local bodies in regard to the construction and acquisition of the Project and the operation, maintenance and use of the System.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

Section 7.21. Securities Law 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. Public Releases. The Issuer shall list the funding provided by the BPH 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 groundbreaking or dedication of the Project.

Section 7.23. Contracts. A. The Issuer shall, simultaneously with the delivery of the 2004 Series A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

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

## ARTICLE VIII

## INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as any of the 2004 Series A Bonds are Outstanding.

Section 8.02. Certificate and 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 2004 Series A Bonds as a condition to issuance of the 2004 Series 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 2004 Series A Bonds as may be necessary in order to maintain the status of the 2004 Series A Bonds as governmental bonds; (ii) that it shall not take, or permit to suffer to be taken, any action with respect to the Issuer's use of the proceeds of the 2004 Series 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, the Council or the BPH, as the case may be, from which the proceeds of the 2004 Series 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, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section 8.02, 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 2004 Series A Bonds and any additional information requested by the Authority.

## ARTICLE IX

## DEFAULTS AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the 2004 Series A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any 2004 Series A Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the 2004 Series A Bonds set forth in this Resolution or by any Supplemental Resolution thereto, or in the 2004 Series A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Holder of a Bond; or

(C) If a default occurs with respect to the Prior Bonds or the Prior Resolution; or

(D) 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 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, the Loan Agreement, and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the 2004 Series A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of any express trust for the Registered Owners of the 2004 Series A Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the 2004 Series A Bonds, or the rights of such Registered Owners, provided however, that all rights and remedies of the Registered Owners shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the

application thereof. If there be any Event of Default with respect to the 2004 Series A 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, or both, 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 2004 Series A 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 Resolution and the Act.

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

Whenever all that is due upon the 2004 Series A Bonds and interest thereon and under any covenants of this Resolution for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any 2004 Series A Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 2004 Series A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such 2004 Series A Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no

court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

## ARTICLE X

## PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the 2004 Series A Bonds, the principal of, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the 2004 Series A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to the issuance of the 2004 Series A Bonds, this Resolution may be amended or supplemented in any way by a Supplemental Resolution. Following the issuance of the 2004 Series A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the 2004 Series A Bonds shall be made without the consent in writing of the Registered Owners of the 2004 Series A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the 2004 Series A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of 2004 Series A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holder of the 2004 Series A Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution, or any Supplemental Resolution thereto, 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, or the 2004 Series A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Resolution. Except for the Prior Resolution, all orders or resolution and 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 the Resolution and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and passage 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 applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

Adopted this 23rd day of August, 2004.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Chairman

By: _____
Member

By: _____
Member

## CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of EASTERN WYOMING PUBLIC SERVICE DISTRICT on the 23rd day of August, 2004.

Dated: August 23, 2004.

[SEAL]

Secretary

Exhibit A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND 2004 SERIES A (WEST VIRGINIA DWTRF PROGRAM),

No. AR-1 $570,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of FIVE HUNDRED SEVENTY THOUSAND DOLLARS ($570,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June1, 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. The Administrative Fee (as defined in the hereinafter described Bond Resolution) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006, as set forth on said Exhibit B.

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 Bureau for Public Health (the "BPH"), 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 BPH, dated August 24, 2004.

This Bond is issued (i) to permanently finance the cost of acquisition and construction of certain improvements and extensions to the existing water facilities of the

Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 23, 2004, (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $360,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System on a parity with the lien of the Prior Bonds, and from moneys in the reserve account created under the Bond Resolution for this Bond (the "Reserve Account") and unexpended proceeds of this Bond (the "Bond Proceeds"). 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 moneys in the Reserve Account and unexpended Bond Proceeds. Pursuant to the Bond Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond and the Prior Bonds, provided however, that so long as the Reserve Account is funded at an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, are funded at 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 this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), 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 Resolution, shall be applied solely to payment of the Costs of the Project and costs of issuance hereof described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 Resolution and the statutes under which this Bond is issued shall be deemed to be part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, EASTERN WYOMING 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 August ____, 2004.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

_____
Chairman

Attest:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2004 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: August ____, 2004.

UNITED BANK, INC.,
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 $_____

(Form of)

EXHIBIT B

DEBT SERVICE SCHEDULE

**$570,000**

Eastern Wyoming Public Service District
30 Years, 0% Interest Rate, 1.0% Administrative Fee
Closing Date: August 24, 2004

## Debt Service Schedule

Part 1 of 4

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 09/01/2004 | - | - | - |
| 12/01/2004 | - | - | - |
| 03/01/2005 | - | - | - |
| 06/01/2005 | - | - | - |
| 09/01/2005 | - | - | - |
| 12/01/2005 | - | - | - |
| 03/01/2006 | 4,750.00 | - | 4,750.00 |
| 06/01/2006 | 4,750.00 | - | 4,750.00 |
| 09/01/2006 | 4,750.00 | - | 4,750.00 |
| 12/01/2006 | 4,750.00 | - | 4,750.00 |
| 03/01/2007 | 4,750.00 | - | 4,750.00 |
| 06/01/2007 | 4,750.00 | - | 4,750.00 |
| 09/01/2007 | 4,750.00 | - | 4,750.00 |
| 12/01/2007 | 4,750.00 | - | 4,750.00 |
| 03/01/2008 | 4,750.00 | - | 4,750.00 |
| 06/01/2008 | 4,750.00 | - | 4,750.00 |
| 09/01/2008 | 4,750.00 | - | 4,750.00 |
| 12/01/2008 | 4,750.00 | - | 4,750.00 |
| 03/01/2009 | 4,750.00 | - | 4,750.00 |
| 06/01/2009 | 4,750.00 | - | 4,750.00 |
| 09/01/2009 | 4,750.00 | - | 4,750.00 |
| 12/01/2009 | 4,750.00 | - | 4,750.00 |
| 03/01/2010 | 4,750.00 | - | 4,750.00 |
| 06/01/2010 | 4,750.00 | - | 4,750.00 |
| 09/01/2010 | 4,750.00 | - | 4,750.00 |
| 12/01/2010 | 4,750.00 | - | 4,750.00 |
| 03/01/2011 | 4,750.00 | - | 4,750.00 |
| 06/01/2011 | 4,750.00 | - | 4,750.00 |
| 09/01/2011 | 4,750.00 | - | 4,750.00 |
| 12/01/2011 | 4,750.00 | - | 4,750.00 |
| 03/01/2012 | 4,750.00 | - | 4,750.00 |
| 06/01/2012 | 4,750.00 | - | 4,750.00 |
| 09/01/2012 | 4,750.00 | - | 4,750.00 |
| 12/01/2012 | 4,750.00 | - | 4,750.00 |
| 03/01/2013 | 4,750.00 | - | 4,750.00 |
| 06/01/2013 | 4,750.00 | - | 4,750.00 |
| 09/01/2013 | 4,750.00 | - | 4,750.00 |
| 12/01/2013 | 4,750.00 | - | 4,750.00 |
| 03/01/2014 | 4,750.00 | - | 4,750.00 |
| 06/01/2014 | 4,750.00 | - | 4,750.00 |
| 09/01/2014 | 4,750.00 | - | 4,750.00 |
| 12/01/2014 | 4,750.00 | - | 4,750.00 |
| 03/01/2015 | 4,750.00 | - | 4,750.00 |
| 06/01/2015 | 4,750.00 | - | 4,750.00 |

## $570,000

Eastern Wyoming Public Service District
30 Years, 0% Interest Rate, 1.0% Administrative Fee
Closing Date: August 24, 2004

## Debt Service Schedule

Part 2 of 4

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 09/01/2015 | 4,750.00 | - | 4,750.00 |
| 12/01/2015 | 4,750.00 | - | 4,750.00 |
| 03/01/2016 | 4,750.00 | - | 4,750.00 |
| 06/01/2016 | 4,750.00 | - | 4,750.00 |
| 09/01/2016 | 4,750.00 | - | 4,750.00 |
| 12/01/2016 | 4,750.00 | - | 4,750.00 |
| 03/01/2017 | 4,750.00 | - | 4,750.00 |
| 06/01/2017 | 4,750.00 | - | 4,750.00 |
| 09/01/2017 | 4,750.00 | - | 4,750.00 |
| 12/01/2017 | 4,750.00 | - | 4,750.00 |
| 03/01/2018 | 4,750.00 | - | 4,750.00 |
| 06/01/2018 | 4,750.00 | - | 4,750.00 |
| 09/01/2018 | 4,750.00 | - | 4,750.00 |
| 12/01/2018 | 4,750.00 | - | 4,750.00 |
| 03/01/2019 | 4,750.00 | - | 4,750.00 |
| 06/01/2019 | 4,750.00 | - | 4,750.00 |
| 09/01/2019 | 4,750.00 | - | 4,750.00 |
| 12/01/2019 | 4,750.00 | - | 4,750.00 |
| 03/01/2020 | 4,750.00 | - | 4,750.00 |
| 06/01/2020 | 4,750.00 | - | 4,750.00 |
| 09/01/2020 | 4,750.00 | - | 4,750.00 |
| 12/01/2020 | 4,750.00 | - | 4,750.00 |
| 03/01/2021 | 4,750.00 | - | 4,750.00 |
| 06/01/2021 | 4,750.00 | - | 4,750.00 |
| 09/01/2021 | 4,750.00 | - | 4,750.00 |
| 12/01/2021 | 4,750.00 | - | 4,750.00 |
| 03/01/2022 | 4,750.00 | - | 4,750.00 |
| 06/01/2022 | 4,750.00 | - | 4,750.00 |
| 09/01/2022 | 4,750.00 | - | 4,750.00 |
| 12/01/2022 | 4,750.00 | - | 4,750.00 |
| 03/01/2023 | 4,750.00 | - | 4,750.00 |
| 06/01/2023 | 4,750.00 | - | 4,750.00 |
| 09/01/2023 | 4,750.00 | - | 4,750.00 |
| 12/01/2023 | 4,750.00 | - | 4,750.00 |
| 03/01/2024 | 4,750.00 | - | 4,750.00 |
| 06/01/2024 | 4,750.00 | - | 4,750.00 |
| 09/01/2024 | 4,750.00 | - | 4,750.00 |
| 12/01/2024 | 4,750.00 | - | 4,750.00 |
| 03/01/2025 | 4,750.00 | - | 4,750.00 |
| 06/01/2025 | 4,750.00 | - | 4,750.00 |
| 09/01/2025 | 4,750.00 | - | 4,750.00 |
| 12/01/2025 | 4,750.00 | - | 4,750.00 |
| 03/01/2026 | 4,750.00 | - | 4,750.00 |
| 06/01/2026 | 4,750.00 | - | 4,750.00 |

## $570,000

Eastern Wyoming Public Service District
30 Years, 0% Interest Rate, 1.0% Administrative Fee
Closing Date: August 24, 2004

## Debt Service Schedule

Part 3 of 4

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 09/01/2026 | 4,750.00 | - | 4,750.00 |
| 12/01/2026 | 4,750.00 | - | 4,750.00 |
| 03/01/2027 | 4,750.00 | - | 4,750.00 |
| 06/01/2027 | 4,750.00 | - | 4,750.00 |
| 09/01/2027 | 4,750.00 | - | 4,750.00 |
| 12/01/2027 | 4,750.00 | - | 4,750.00 |
| 03/01/2028 | 4,750.00 | - | 4,750.00 |
| 06/01/2028 | 4,750.00 | - | 4,750.00 |
| 09/01/2028 | 4,750.00 | - | 4,750.00 |
| 12/01/2028 | 4,750.00 | - | 4,750.00 |
| 03/01/2029 | 4,750.00 | - | 4,750.00 |
| 06/01/2029 | 4,750.00 | - | 4,750.00 |
| 09/01/2029 | 4,750.00 | - | 4,750.00 |
| 12/01/2029 | 4,750.00 | - | 4,750.00 |
| 03/01/2030 | 4,750.00 | - | 4,750.00 |
| 06/01/2030 | 4,750.00 | - | 4,750.00 |
| 09/01/2030 | 4,750.00 | - | 4,750.00 |
| 12/01/2030 | 4,750.00 | - | 4,750.00 |
| 03/01/2031 | 4,750.00 | - | 4,750.00 |
| 06/01/2031 | 4,750.00 | - | 4,750.00 |
| 09/01/2031 | 4,750.00 | - | 4,750.00 |
| 12/01/2031 | 4,750.00 | - | 4,750.00 |
| 03/01/2032 | 4,750.00 | - | 4,750.00 |
| 06/01/2032 | 4,750.00 | - | 4,750.00 |
| 09/01/2032 | 4,750.00 | - | 4,750.00 |
| 12/01/2032 | 4,750.00 | - | 4,750.00 |
| 03/01/2033 | 4,750.00 | - | 4,750.00 |
| 06/01/2033 | 4,750.00 | - | 4,750.00 |
| 09/01/2033 | 4,750.00 | - | 4,750.00 |
| 12/01/2033 | 4,750.00 | - | 4,750.00 |
| 03/01/2034 | 4,750.00 | - | 4,750.00 |
| 06/01/2034 | 4,750.00 | - | 4,750.00 |
| 09/01/2034 | 4,750.00 | - | 4,750.00 |
| 12/01/2034 | 4,750.00 | - | 4,750.00 |
| 03/01/2035 | 4,750.00 | - | 4,750.00 |
| 06/01/2035 | 4,750.00 | - | 4,750.00 |
| 09/01/2035 | 4,750.00 | - | 4,750.00 |
| 12/01/2035 | 4,750.00 | - | 4,750.00 |
| **Total** | **$570,000.00** | - | **$570,000.00** * |

***Plus $718.44 one-percent administrative fee paid quarterly. Total fee over life of loan is $86,212.80.**

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

**SPECIMEN**

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND 2004 SERIES A (WEST VIRGINIA DWTRF PROGRAM),

No. AR-1 $570,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of FIVE HUNDRED SEVENTY THOUSAND DOLLARS ($570,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Resolution) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006, as set forth on said Exhibit B.

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 Bureau for Public Health (the "BPH"), 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 BPH, dated August 24, 2004.

This Bond is issued (i) to permanently finance the cost of acquisition and construction of certain improvements and extensions to the existing water facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended

(collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 23, 2004, (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $360,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System on a parity with the lien of the Prior Bonds, and from moneys in the reserve account created under the Bond Resolution for this Bond (the "Reserve Account") and unexpended proceeds of this Bond (the "Bond Proceeds"). 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 moneys in the Reserve Account and unexpended Bond Proceeds. Pursuant to the Bond Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond and the Prior Bonds, provided however, that so long as the Reserve Account is funded at an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, are funded at 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 this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), 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 Resolution, shall be applied solely to payment of the Costs of the Project and costs of issuance hereof described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 Resolution and the statutes under which this Bond is issued shall be deemed to be part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, EASTERN WYOMING 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 August 24, 2004.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

Chairman

Attest:

Secretary

SPECIMEN

(CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2004 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: August 24, 2004.

UNITED BANK, INC., as Registrar

SPECIMEN

Authorized officer

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $18,400 | August 24, 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

**$570,000**

Eastern Wyoming Public Service District
30 Years, 0% Interest Rate, 1.0% Administrative Fee
Closing Date: August 24, 2004

## Debt Service Schedule

Part 1 of 4

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 09/01/2004 | - | - | - |
| 12/01/2004 | - | - | - |
| 03/01/2005 | - | - | - |
| 06/01/2005 | - | - | - |
| 09/01/2005 | - | - | - |
| 12/01/2005 | - | - | - |
| 03/01/2006 | 4,750.00 | - | 4,750.00 |
| 06/01/2006 | 4,750.00 | - | 4,750.00 |
| 09/01/2006 | 4,750.00 | - | 4,750.00 |
| 12/01/2006 | 4,750.00 | - | 4,750.00 |
| 03/01/2007 | 4,750.00 | - | 4,750.00 |
| 06/01/2007 | 4,750.00 | - | 4,750.00 |
| 09/01/2007 | 4,750.00 | - | 4,750.00 |
| 12/01/2007 | 4,750.00 | - | 4,750.00 |
| 03/01/2008 | 4,750.00 | - | 4,750.00 |
| 06/01/2008 | 4,750.00 | - | 4,750.00 |
| 09/01/2008 | 4,750.00 | - | 4,750.00 |
| 12/01/2008 | 4,750.00 | - | 4,750.00 |
| 03/01/2009 | 4,750.00 | - | 4,750.00 |
| 06/01/2009 | 4,750.00 | - | 4,750.00 |
| 09/01/2009 | 4,750.00 | - | 4,750.00 |
| 12/01/2009 | 4,750.00 | - | 4,750.00 |
| 03/01/2010 | 4,750.00 | - | 4,750.00 |
| 06/01/2010 | 4,750.00 | - | 4,750.00 |
| 09/01/2010 | 4,750.00 | - | 4,750.00 |
| 12/01/2010 | 4,750.00 | - | 4,750.00 |
| 03/01/2011 | 4,750.00 | - | 4,750.00 |
| 06/01/2011 | 4,750.00 | - | 4,750.00 |
| 09/01/2011 | 4,750.00 | - | 4,750.00 |
| 12/01/2011 | 4,750.00 | - | 4,750.00 |
| 03/01/2012 | 4,750.00 | - | 4,750.00 |
| 06/01/2012 | 4,750.00 | - | 4,750.00 |
| 09/01/2012 | 4,750.00 | - | 4,750.00 |
| 12/01/2012 | 4,750.00 | - | 4,750.00 |
| 03/01/2013 | 4,750.00 | - | 4,750.00 |
| 06/01/2013 | 4,750.00 | - | 4,750.00 |
| 09/01/2013 | 4,750.00 | - | 4,750.00 |
| 12/01/2013 | 4,750.00 | - | 4,750.00 |
| 03/01/2014 | 4,750.00 | - | 4,750.00 |
| 06/01/2014 | 4,750.00 | - | 4,750.00 |
| 09/01/2014 | 4,750.00 | - | 4,750.00 |
| 12/01/2014 | 4,750.00 | - | 4,750.00 |
| 03/01/2015 | 4,750.00 | - | 4,750.00 |
| 06/01/2015 | 4,750.00 | - | 4,750.00 |

**$570,000**

Eastern Wyoming Public Service District
30 Years, 0% Interest Rate, 1.0% Administrative Fee
Closing Date: August 24, 2004

## Debt Service Schedule

Part 2 of 4

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 09/01/2015 | 4,750.00 | - | 4,750.00 |
| 12/01/2015 | 4,750.00 | - | 4,750.00 |
| 03/01/2016 | 4,750.00 | - | 4,750.00 |
| 06/01/2016 | 4,750.00 | - | 4,750.00 |
| 09/01/2016 | 4,750.00 | - | 4,750.00 |
| 12/01/2016 | 4,750.00 | - | 4,750.00 |
| 03/01/2017 | 4,750.00 | - | 4,750.00 |
| 06/01/2017 | 4,750.00 | - | 4,750.00 |
| 09/01/2017 | 4,750.00 | - | 4,750.00 |
| 12/01/2017 | 4,750.00 | - | 4,750.00 |
| 03/01/2018 | 4,750.00 | - | 4,750.00 |
| 06/01/2018 | 4,750.00 | - | 4,750.00 |
| 09/01/2018 | 4,750.00 | - | 4,750.00 |
| 12/01/2018 | 4,750.00 | - | 4,750.00 |
| 03/01/2019 | 4,750.00 | - | 4,750.00 |
| 06/01/2019 | 4,750.00 | - | 4,750.00 |
| 09/01/2019 | 4,750.00 | - | 4,750.00 |
| 12/01/2019 | 4,750.00 | - | 4,750.00 |
| 03/01/2020 | 4,750.00 | - | 4,750.00 |
| 06/01/2020 | 4,750.00 | - | 4,750.00 |
| 09/01/2020 | 4,750.00 | - | 4,750.00 |
| 12/01/2020 | 4,750.00 | - | 4,750.00 |
| 03/01/2021 | 4,750.00 | - | 4,750.00 |
| 06/01/2021 | 4,750.00 | - | 4,750.00 |
| 09/01/2021 | 4,750.00 | - | 4,750.00 |
| 12/01/2021 | 4,750.00 | - | 4,750.00 |
| 03/01/2022 | 4,750.00 | - | 4,750.00 |
| 06/01/2022 | 4,750.00 | - | 4,750.00 |
| 09/01/2022 | 4,750.00 | - | 4,750.00 |
| 12/01/2022 | 4,750.00 | - | 4,750.00 |
| 03/01/2023 | 4,750.00 | - | 4,750.00 |
| 06/01/2023 | 4,750.00 | - | 4,750.00 |
| 09/01/2023 | 4,750.00 | - | 4,750.00 |
| 12/01/2023 | 4,750.00 | - | 4,750.00 |
| 03/01/2024 | 4,750.00 | - | 4,750.00 |
| 06/01/2024 | 4,750.00 | - | 4,750.00 |
| 09/01/2024 | 4,750.00 | - | 4,750.00 |
| 12/01/2024 | 4,750.00 | - | 4,750.00 |
| 03/01/2025 | 4,750.00 | - | 4,750.00 |
| 06/01/2025 | 4,750.00 | - | 4,750.00 |
| 09/01/2025 | 4,750.00 | - | 4,750.00 |
| 12/01/2025 | 4,750.00 | - | 4,750.00 |
| 03/01/2026 | 4,750.00 | - | 4,750.00 |
| 06/01/2026 | 4,750.00 | - | 4,750.00 |

## $570,000

Eastern Wyoming Public Service District
30 Years, 0% Interest Rate, 1.0% Administrative Fee
Closing Date: August 24, 2004

## Debt Service Schedule

Part 3 of 4

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 09/01/2026 | 4,750.00 | - | 4,750.00 |
| 12/01/2026 | 4,750.00 | - | 4,750.00 |
| 03/01/2027 | 4,750.00 | - | 4,750.00 |
| 06/01/2027 | 4,750.00 | - | 4,750.00 |
| 09/01/2027 | 4,750.00 | - | 4,750.00 |
| 12/01/2027 | 4,750.00 | - | 4,750.00 |
| 03/01/2028 | 4,750.00 | - | 4,750.00 |
| 06/01/2028 | 4,750.00 | - | 4,750.00 |
| 09/01/2028 | 4,750.00 | - | 4,750.00 |
| 12/01/2028 | 4,750.00 | - | 4,750.00 |
| 03/01/2029 | 4,750.00 | - | 4,750.00 |
| 06/01/2029 | 4,750.00 | - | 4,750.00 |
| 09/01/2029 | 4,750.00 | - | 4,750.00 |
| 12/01/2029 | 4,750.00 | - | 4,750.00 |
| 03/01/2030 | 4,750.00 | - | 4,750.00 |
| 06/01/2030 | 4,750.00 | - | 4,750.00 |
| 09/01/2030 | 4,750.00 | - | 4,750.00 |
| 12/01/2030 | 4,750.00 | - | 4,750.00 |
| 03/01/2031 | 4,750.00 | - | 4,750.00 |
| 06/01/2031 | 4,750.00 | - | 4,750.00 |
| 09/01/2031 | 4,750.00 | - | 4,750.00 |
| 12/01/2031 | 4,750.00 | - | 4,750.00 |
| 03/01/2032 | 4,750.00 | - | 4,750.00 |
| 06/01/2032 | 4,750.00 | - | 4,750.00 |
| 09/01/2032 | 4,750.00 | - | 4,750.00 |
| 12/01/2032 | 4,750.00 | - | 4,750.00 |
| 03/01/2033 | 4,750.00 | - | 4,750.00 |
| 06/01/2033 | 4,750.00 | - | 4,750.00 |
| 09/01/2033 | 4,750.00 | - | 4,750.00 |
| 12/01/2033 | 4,750.00 | - | 4,750.00 |
| 03/01/2034 | 4,750.00 | - | 4,750.00 |
| 06/01/2034 | 4,750.00 | - | 4,750.00 |
| 09/01/2034 | 4,750.00 | - | 4,750.00 |
| 12/01/2034 | 4,750.00 | - | 4,750.00 |
| 03/01/2035 | 4,750.00 | - | 4,750.00 |
| 06/01/2035 | 4,750.00 | - | 4,750.00 |
| 09/01/2035 | 4,750.00 | - | 4,750.00 |
| 12/01/2035 | 4,750.00 | - | 4,750.00 |
| Total | $570,000.00 | - | $570,000.00 * |

***Plus $718.44 one-percent administrative fee paid quarterly. Total fee over life of loan is $86,212.80.**

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

SPECIMEN

_____

IN THE PRESENCE OF:

_____

# BOND RESOLUTION

**Authorizing**

**EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS (WEST VIRGINIA DWTRF PROGRAM),
2006 SERIES A**

Adopted: January 10, 2006

## Table of Contents


Page

**ARTICLE I**

**DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS**

Section 1.01 Definitions ..... 5
Section 1.02 Authority for this Resolution ..... 16
Section 1.03 Findings ..... 16
Section 1.04 Bond Legislation Constitutes Contract ..... 18

**ARTICLE II**

**AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; APPROVAL OF OPERATION AND MAINTENANCE OF THE SYSTEM**

Section 2.01 Authorization of the Acquisition and Construction of the Project ..... 18
Section 2.02 Approval of Operation and Maintenance of the System ..... 18

**ARTICLE III**

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

Section 3.01 Authorization of Bonds ..... 19
Section 3.02 Term of Bonds ..... 19
Section 3.03 Execution of Bonds ..... 20
Section 3.04 Authentication and Registration ..... 20
Section 3.05 Negotiability, Transfer and Registration ..... 20
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost ..... 21
Section 3.07 Bonds Not to be Indebtedness of the Issuer ..... 21
Section 3.08 Bonds Secured by Pledge of Net Revenues ..... 22
Section 3.09 Delivery of Bonds ..... 22
Section 3.10 Form of Bonds ..... 22
Section 3.11 Sale of Bonds; Ratification and Execution of Loan Agreement ..... 22
Section 3.12 Amended Schedule Filing ..... 23

**ARTICLE IV**

**[RESERVED]**

## ARTICLE V

## FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF


Section 5.01 Establishment of Funds and Accounts with Depository Bank ..... 25
Section 5.02 Establishment of Funds and Accounts with Commission ..... 25
Section 5.03 System Revenues; Flow of Funds ..... 25


## ARTICLE VI

## APPLICATION OF BOND PROCEEDS


Section 6.01 Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds ... 29
Section 6.02 Disbursements From the Construction Trust Fund ..... 29
Section 6.03 Excess Bond Proceeds ..... 30


## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER


Section 7.01 General Covenants of the Issuer ..... 30
Section 7.02 Bonds not to be Indebtedness of the Issuer ..... 30
Section 7.03 Bonds Secured by Pledge of Net Revenues; Lien Position ..... 30
Section 7.04 Initial Schedule of Rates and Charges ..... 31
Section 7.05 Sale of the System ..... 31
Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances ..... 32
Section 7.07 Parity Bonds ..... 33
Section 7.08 Books; Records and Audit ..... 35
Section 7.09 Rates ..... 37
Section 7.10 Operating Budget and Monthly Financial Report ..... 37
Section 7.11 No Competing Franchise ..... 38
Section 7.12 Enforcement of Collections ..... 38
Section 7.13 No Free Services ..... 39
Section 7.14 Connections to System ..... 39
Section 7.15 Insurance ..... 39
Section 7.16 Engineering Services and Operating Personnel ..... 41
Section 7.17 Completion of Project; Permits and Orders ..... 41
Section 7.18 Statutory Mortgage Lien ..... 42
Section 7.19 Compliance with Loan Agreement and Law ..... 42
Section 7.20 PSC Order ..... 42
Section 7.21 Securities Law Compliance ..... 42
Section 7.22 Public Releases ..... 42
Section 7.23 Contracts ..... 42

## ARTICLE VIII

## INVESTMENT OF FUNDS


Section 8.01 Investments ..... 43
Section 8.02 Certificate and Covenants as to Use of Proceeds ..... 43


## ARTICLE IX

## DEFAULTS AND REMEDIES


Section 9.01 Events of Default ..... 44
Section 9.02 Remedies ..... 44
Section 9.03 Appointment of Receiver ..... 44


## ARTICLE X

## PAYMENT OF BONDS


Section 10.01 Payment of Bonds ..... 46


## ARTICLE XI

## MISCELLANEOUS


Section 11.01 Amendment or Modification of Resolution ..... 46
Section 11.02 Resolution Constitutes Contract ..... 47
Section 11.03 Severability of Invalid Provisions ..... 47
Section 11.04 Headings, Etc. ..... 47
Section 11.05 Conflicting Provisions Repealed; Prior Resolution ..... 47
Section 11.06 Covenant of Due Procedure, Etc. ..... 47
Section 11.07 Effective Date ..... 47

Exhibit A – Form of Bonds

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF WATER TREATMENT AND DISTRIBUTION FACILITIES BY EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF $2,570,000 IN AGGREGATE PRINCIPAL AMOUNT OF EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS (WEST VIRGINIA DWTRF PROGRAM), 2006 SERIES 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; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

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

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

"AML Grant" means the West Virginia Department of Environmental Protection – Abandoned Mine Lands Grant in the amount of $4,465,920.

"AML Grant Agreement" means a written commitment for the payment of the West Virginia Department of Environmental Protection – Abandoned Mine Lands Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the 2006 Series A Bonds.

"Application" means the application, with attachments and exhibits, filed by the Issuer with the BPH for a DWTRF loan.

"ARC Grant" means the Appalachian Regional Commission Grant in the amount of $1,000,000.

"ARC Grant Agreement" means a written commitment for the payment of the Appalachian Regional Commission Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the 2006 Series A Bonds acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

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

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

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

"Bond Registrar" or "Registrar" means United Bank, Inc., Charleston, West Virginia, and its successors and assigns.

"Bonds" means, collectively, the 2006 Series A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or 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.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the 2006 Series A Bonds for all or a portion of the proceeds of the 2006 Series A Bonds.

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

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

"Consulting Engineer" or "Consulting Engineers" means Pentree, Incorporated, Princeton, 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 in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03 D hereof to be part of the cost of acquisition and construction of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Council Act" means Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended, and in effect on the date of the adoption of this Resolution.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds, as hereinafter defined, during the period of computation,

excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means The Peoples Bank of Mullens, Mullens, West Virginia, and its successors and assigns.

"DWTRF Loan" means the West Virginia Drinking Water Treatment Revolving Fund Loan in the amount of $2,570,000.

"EWSAA Grant" means the Emergency Wartime Supplemental Appropriation Act Grant in the amount of $487,242.

"EWSAA Grant Agreement" means a written commitment for the payment of the Emergency Wartime Supplemental Appropriation Act Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

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

"Grant Receipts" means all moneys received by the Issuer on account of any Grant to pay Costs of the Project.

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

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Bonds, excluding original proceeds which become

transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as reference in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

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

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

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

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

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

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

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

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

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

"Issuer" means Eastern Wyoming Public Service District, a public service district and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the BPH providing for the purchase of the 2006 Series 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 this Resolution.

"LCPSD" means the Logan County Public Service District, or any successor thereto, which operates and maintains the System for the Issuer pursuant to an agreement dated August 30, 2001, by and between the Issuer and LCPSD.

"Managing Engineer" means the managing engineer of the Issuer or any successor thereto.

"Net Proceeds" means the face amount of the 2006 Series A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the 2006 Series 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 2006 Series A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

"Operation and Maintenance Agreement" means that certain Agreement dated August 30, 2001 by and between the LCPSD and the Issuer, pursuant to which the LCPSD operates and maintains the Issuer's System.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article X hereof.

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

"Paying Agent" means the West Virginia Municipal Bond Commission and its successors and assigns.

"Prior Bonds" means, collectively, the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000 and the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000.

"Prior Resolution" means, collectively, the resolutions of the Issuer authorizing the Prior Bonds adopted on October 10, 2001 and August 23, 2004.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a

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

"Project" means the Project described in Section 1.03B hereof.

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

"PSC Order" means, collectively, the Recommended Decision entered January 31, 2005 in Case No. 04-0023-PWD-PC-CN, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on February 20, 2005, with all requisite appeal periods having expired without successful appeal, and a Commission Order entered January 4, 2006 in Case No. 04-0023-PWD-PC-CN, among other things, granting to the Issuer a certificate of convenience and necessity and approving funding for the Project and the rates for the System. The time for appeal of the January 4, 2006 Commission Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal the January 4, 2006 Commission Order, and the only other party to Case No. 04-0023-PWD-PC-CN, the Commission Staff, has stated that it does not intend to appeal the January 4, 2006 Commission Order. Both orders are in full force and effect.

"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 Unites 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 the 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 practical coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment

Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolution and continued by Section 5.01(2) hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the 2006 Series A Bonds and the Prior Bonds.

"Resolution" or "Bond Legislation" means this bond resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution and continued by Section 5.01(1) hereof.

"Secretary" means the Secretary of the Issuer.

"Sinking Funds" shall mean, collectively, the respective sinking funds established for the 2006 Series A Bonds and the Prior Bonds.

"SCBG" means the Small Cities Block Grant in the amount of $3,000,000.

"SCBG Grant Agreement" means a written commitment for the payment of the Small Cities Block Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer, amending or supplementing this Resolution; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the 2006 Series A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the 2006 Series A Bonds, the Prior Bonds or any other obligations of the Issuer, including but not limited to

the Renewal and Replacement Fund, the Reserve Accounts and Sinking Funds.

"System" means the complete existing waterworks system of the Issuer, including the Project, and any improvements and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund Program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the Federal Safe Drinking Water Act, as amended, for the purpose of providing, establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

"WVIJDC Grant" means the West Virginia Infrastructure and Jobs Development Council Grant in the amount of $228,742.

"WVIJDC Grant Agreement" means a written commitment for the payment of the West Virginia Infrastructure and Jobs Development Council Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"2006 Series A Bonds" means the $2,570,000 in aggregate principal amount of Eastern Wyoming Public Service District Water Revenue Bonds (West Virginia DWTRF Program), 2006 Series A, of the Issuer originally authorized hereby.

"2006 Series A Bonds Construction Trust Fund" means the 2006 Series A Bonds Construction Trust Fund created by Section 5.01 hereof.

"2006 Series A Bonds Reserve Account" means the 2006 Series A Bonds Reserve Account established by Section 5.02.

"2006 Series A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the 2006 Series A Bonds in the then current or any succeeding year.

"2006 Series A Bonds Sinking Fund" means the 2006 Series A Bonds Sinking Fund established by Section 5.02.

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

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

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

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

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof, is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer is a public service district and a public corporation and political subdivision of the State, located in and near Mullens, Wyoming County, West Virginia, created pursuant to the Act by an order issued by The County Commission of Wyoming County, West Virginia.

B. The Issuer presently owns and operates a public water system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Issuer construct a new regional water treatment plant, two storage tanks, distribution lines and other necessary appurtenances to eliminate the existing inadequate and outdated water treatment plants located at Mullens, Nuriva, Welton, Wyco, Iroquois and Stephenson, West Virginia (collectively, the "Project"), which constitute properties for the treatment and distribution of potable water (the existing public water system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have heretofore been filed with the Issuer and to pay the cost of issuance hereof and related costs.

C. The estimated maximum cost of the construction and acquisition of the Project is approximately $11,751,904, of which approximately $2,570,000 will be permanently financed by the 2006 Series A Bonds herein authorized. The remaining cost will be funded with a $4,465,920 AML Grant, a $1,000,000 ARC Grant, a $487,242 EWSAA Grant, a $3,000,000 SCBG and a $228,742 WVIJDC Grant.

D. It is necessary for the Issuer to issue its Water Revenue Bonds (West Virginia DWTRF Program), 2006 Series A in the aggregate principal amount of $2,570,000 to permanently finance, in part, the cost of acquisition and construction of the Project, and to pay the cost of issuance thereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering and legal expenses; expenses for estimates of costs and revenues and for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses, commitment fees, fees of the Authority, initial fees for the services of registrars, and the placing of the Project 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 2006 Series A Bonds or the repayment of indebtedness, incurred by the Issuer for such purposes shall be deemed part of the Costs of the Project.

E. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the Operating Expenses of the System, the principal of and interest on the Prior Bonds, the 2006 Series A Bonds and all sinking funds, reserve accounts and other payments provided for herein, and in the Prior Resolution.

F. The period of usefulness of the System after completion of the Project is not less than 30 years.

G. There are outstanding obligations of the Issuer which will rank on parity with the 2006 Series A Bonds as to liens, pledge, and source of and security for payment, which obligations are designated and have the lien positions with respect to the 2006 Series A Bonds as follows:

| Designation | Lien Position |
|---|---|
| Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, in the original principal amount of $360,000 | First Lien |
| Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, in the original principal amount of $570,000 (collectively, the "Prior Bonds") | First Lien |

The 2006 Series A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements for issuance of bonds on a parity with the Prior Bonds and the resolutions authorizing the Prior Bonds and has

substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the 2006 Series A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the 2006 Series 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.

H. It is in the best interests of the Issuer that the 2006 Series A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, operation of the System, and the issuance of the 2006 Series A Bonds, or will have so complied prior to the issuance of the 2006 Series A Bonds, including, among other things, the obtaining of the PSC Order.

J. The Project has been approved by the Council, and the Authority, on behalf of BPH, has agreed to make the DWTRF Loan to the Issuer.

K. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 2006 Series A Bonds by those who shall be 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 benefit, protection and security of the Registered Owners of the 2006 Series A Bonds.

## ARTICLE II

## AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; APPROVAL OF OPERATION AND MAINTENANCE OF THE SYSTEM

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 $11,751,904 in accordance with the plans and specifications which have been prepared by the Consulting Engineers and heretofore filed in the office of the Governing Body. The proceeds of the 2006 Series A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount and otherwise compatible with the plan of financing described in the application to the Authority, the BPH and the Council.

Section 2.02. Approval of Operation and Maintenance of the System. The Issuer hereby approves the operation and maintenance of the System by LCPSD, for and on behalf of the Issuer, along with any other assets of the Issuer that the Issuer may desire for LCPSD to operate and maintain, pursuant to the Operation and Maintenance Agreement.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Costs of the Project and paying certain costs of issuance and related costs, there shall be and hereby are authorized to be issued negotiable bonds of the Issuer. Said 2006 Series A Bonds shall be issued as a single bond, to be designated the "Eastern Wyoming Public Service District Water Revenue Bonds (West Virginia DWTRF Program), 2006 Series A", in the aggregate principal amount of $2,570,000, and shall have such terms as are set forth hereinafter in this Resolution or any Supplemental Resolution thereto. The proceeds of the 2006 Series A Bonds shall be deposited in the 2006 Series A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Term of Bonds. The 2006 Series A Bonds shall be issued in the original principal amount of $2,570,000; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, with interest and principal payable quarterly on such dates; shall mature on such dates and in such amounts and at such times as shall be set forth in Schedule Y to the Loan Agreement; the terms of which are incorporated herein by reference. In the event of an inconsistency between the terms hereof and said Loan Agreement, the terms of the Loan Agreement shall apply; and shall be redeemable with the consent of the Authority and the BPH and in compliance with the Loan Agreement. The repayment of principal, interest and the Administrative Fee on the 2006 Series A Bonds shall be as set forth in Schedule Y to the Loan Agreement. The 2006 Series 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 and private debts under the laws of the United States of America.

Interest on the 2006 Series A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by this Resolution or any Supplemental Resolution thereto, the 2006 Series A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule and a record of advances attached, representing the aggregate principal amount of the 2006 Series A Bonds. The 2006 Series A Bonds shall be exchangeable at the option and expense of the Holder for another fully registered bond 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 bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The 2006 Series A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto and attested by the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the 2006 Series A Bonds shall cease to be such officer of the Issuer before the 2006 Series A Bonds so signed and sealed shall have been actually sold or delivered, such 2006 Series A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2006 Series A Bonds had not ceased to hold such office. Any 2006 Series 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 2006 Series A Bonds shall hold the proper office of the Issuer, although at the date of such 2006 Series A Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, to serve as the Bond Registrar for the 2006 Series A Bonds. No 2006 Series A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Bond Registrar if 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 2006 Series A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the 2006 Series A Bonds shall be

and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said 2006 Series A Bonds, shall be conclusively deemed to have agreed that said 2006 Series A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said 2006 Series A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the 2006 Series A Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the 2006 Series A Bonds.

The 2006 Series A Bonds shall be transferrable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the 2006 Series A Bonds or transferring the 2006 Series A Bonds is exercised, such Bonds shall be delivered in accordance with the provisions of this Resolution. All 2006 Series A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of 2006 Series 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 obligated to make any such exchange or transfer of 2006 Series A Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the 2006 Series A Bonds or, in the case of any proposed redemption of 2006 Series A Bonds, next preceding the date of the selection of 2006 Series A 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 of the 2006 Series A 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 the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and Bond Registrar may incur. All 2006 Series A 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 2006 Series A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts in the 2006 Series A Bonds Reserve Account. No Holder of any of the 2006 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 2006 Series A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on all the 2006 Series A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on 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 2006 Series A Bonds and the Prior Bonds and to make the payments into the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund hereinafter established, and established in the Prior Resolution, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the 2006 Series A Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the 2006 Series A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the 2006 Series A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the 2006 Series 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 2006 Series A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the 2006 Series A Bonds.

Section 3.10. Form of Bonds. The text of the 2006 Series A Bonds shall be in substantially the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or by any Supplemental Resolution thereto adopted prior to the issuance thereof.

Section 3.11. Sale of Bonds; Ratification and Execution of Loan Agreement. The 2006 Series A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached hereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. Amended Schedule Filing. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority, the BPH and the Council a schedule, the form of which will be provided by the BPH, 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 created with (or continued if previously established by the Prior Resolution) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank:

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

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

(3) 2006 Series A Bonds Construction Trust Fund.

The Issuer hereby appoints and designates The Peoples Bank of Mullens, located in Mullens, West Virginia, as the Depository Bank under the Resolution.

Section 5.02. Establishment of Funds and Accounts with Commission. The Issuer hereby appoints and designates the Commission as the Paying Agent for the 2006 Series A Bonds. The special funds or accounts hereby established with the Commission are the 2006 Series A Bonds Sinking Fund, and the 2006 Series 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 created pursuant to the Prior Resolution. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the principal payment for the Prior Bonds required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2006 Series A Bonds, for deposit in the 2006 Series A Bonds Sinking Fund, a sum equal to $1/3^{rd}$ of the amount of principal which will mature and become due on the 2006 Series 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 2006 Series 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, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Accounts for the Prior Bonds, the amounts required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2006 Series A Bonds, if not fully funded upon issuance of the 2006 Series A Bonds, for deposit in the 2006 Series A Bonds Reserve Account, an amount equal to 1/120 of the 2006 Series A Bonds Reserve Requirement; provided, that no further payments shall be made into the 2006 Series A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the 2006 Series A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund a sum equal to 2½% of the Gross Revenues each month (as required in the Prior Resolution and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the 2006 Series A Bonds Sinking Fund shall be used only for the purpose of paying principal of, and interest, if any, on the 2006 Series A Bonds as the same shall become due. Moneys in the 2006 Series A Bonds Reserve Account shall be used only for the purpose of paying principal of, and interest, if any, on the 2006 Series A Bonds, as the same shall come due, when other moneys in the 2006 Series A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the 2006 Series A Bonds Reserve Account shall be transferred, not less than once each year, to the

2006 Series A Bonds Construction Trust Fund prior to completion of the Project and thereafter to the 2006 Series A Bonds Sinking Fund.

Any withdrawals from the 2006 Series A Bonds Reserve Account which result in a reduction in the balance of such account to below the 2006 Series A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the 2006 Series A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on and principal of such Parity Bonds and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Commission is hereby designated as the fiscal agent for the administration of the 2006 Series A Bonds Sinking Fund and the 2006 Series A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the Issuer shall make the necessary arrangements whereby required payments into such accounts are automatically debited from the Revenue Fund and electronically transferred to the Commission on the required date.

Moneys in the 2006 Series A Bonds Reserve Account and 2006 Series A Bonds Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The 2006 Series A Bonds Sinking Fund and the 2006 Series A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the 2006 Series A Bonds under the conditions and restrictions hereinafter set forth.

Interest, principal or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the 2006 Series A Bonds and the Prior Bonds in accordance with the respective principal amounts then outstanding.

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 2006 Series A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of

this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

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

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

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

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the 2006 Series A Bonds Reserve Account have not, as of such date, funded such account to the requirement therefor.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the 2006 Series A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and used for any lawful purpose of the System.

## ARTICLE VI

## APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. Moneys received from time to time from the sale of the 2006 Series A Bonds shall be deposited with the Depository Bank in the 2006 Series A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project and until so expended are hereby pledged as additional security for the 2006 Series A Bonds.

Section 6.02. Disbursements From the Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority, the BPH and the Council a report listing the specific purposes for which the proceeds of the 2006 Series A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the 2006 Series A Bonds Construction Trust Fund shall be made only after submission to the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) 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 Costs 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, moneys in the 2006 Series A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

Section 6.03. Excess Bond Proceeds. Upon completion of the Project, as certified by the Consulting Engineers, and after all costs have been paid, any remaining proceeds of the 2006 Series A Bonds shall be applied as directed by the BPH.

## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder of the 2006 Series A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holder of the 2006 Series 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 said 2006 Series A Bonds are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The 2006 Series A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Holder of any 2006 Series A Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said 2006 Series A Bonds.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the 2006 Series A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on parity with the lien on said Net Revenues in favor of the holders of the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of the Prior Bonds and the 2006 Series A Bonds herein authorized and to make the payments into all funds and accounts, and all other payments provided for in this Resolution and the Prior Resolution are hereby irrevocably pledged to such payments as the same become due, and for the other purposes provided in this Resolution.

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. Such rates and charges are and shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision entered January 31, 2005 in Case No. 04-0023-PWD-PC-CN, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on February 20, 2005, with all requisite appeal periods having expired without successful appeal, and a Commission Order entered January 4, 2006, in Case No. 04-0023-PWD-PC-CN, among other things, approving the rates and charges for the services of the System. The time for appeal of the January 4, 2006 Commission Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal the January 4, 2006 Commission Order, and the only other party to Case No. 04-0023-PWD-PC-CN, the Commission Staff, has stated that it does not intend to appeal the January 4, 2006 Commission Order. Both orders are in full force and effect. Such rates and charges are hereby adopted.

So long as the 2006 Series A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the requirements of the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the 2006 Series A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates 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 the System, except as provided in the Prior Resolution. Additionally, so long as the 2006 Series A Bonds are outstanding and except as otherwise required by law and with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the 2006 Series A Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the 2006 Series A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and the Administrative Fee on the 2006 Series A Bonds. Any balance remaining after the payment of the 2006 Series A Bonds 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, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holder 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. So long as any of the 2006 Series A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the 2006 Series A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolution (as long as the Prior Bonds are Outstanding). All obligations hereafter

issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the 2006 Series A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolution 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 liens of the 2006 Series A Bonds, upon any of the income and revenues of the System pledged for payment of the 2006 Series A Bonds and the interest thereon in this Resolution, or upon the System or any part hereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the 2006 Series A Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided and, as provided in the Prior Resolution, so long as the Prior Bonds are outstanding.

All Parity Bonds issued hereunder shall be on a parity in all respects with the 2006 Series A Bonds. The prior written consent of the Authority and BPH must be received prior to the issuance of any Parity Bonds.

No such Parity Bonds shall be issued except for the purposes of financing the costs of the design, construction or acquisition of extensions, additions, 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 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 three succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds including the revenues from new customers to be served, 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 discussed 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, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the 2006 Series A Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Any Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for 2006 Series A Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2006 Series A Bonds.

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

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

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of 2006 Series A Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the Uniform System of Accounts promulgated by the PSC. 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 initiate the manner by which subsidiary records of the accounting system, which may be installed remotely 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 BPH, and the Authority, or any other original purchaser of the 2006 Series A Bonds, and shall mail in each year to any Holder of 2006 Series A Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution 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 thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder of 2006 Series A Bonds and shall submit said report to the Authority, the BPH and the Council, or any other purchaser of the 2006 Series A Bonds. Such audit report submitted to the Authority, the BPH and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and if there are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Issuer's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements.

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

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

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

Section 7.09. Rates. Approvals of equitable rates or charges for the use of and service rendered by the System have been obtained all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the 2006 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2006 Series A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the 2006 Series A Bonds Reserve Requirement are on deposit in the 2006 Series A Bonds Reserve Account and all reserve accounts for obligations on a parity with the 2006 Series A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of, and interest on the 2006 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2006 Series A Bonds. In any event, the Issuer shall not reduce the rates or charges for services of the System set forth in Section 7.04, so long as the 2006 Series A Bonds are outstanding.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority, the BPH and the Council within thirty days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing 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 the Managing 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 Authority, the BPH and the Council and to any Holder of any 2006 Series A Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the BPH and the Council and to any Holder of any 2006 Series A Bonds or anyone acting for and in behalf of such Holder of any 2006 Series A Bonds.

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

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

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

Whenever any rates, fees, rentals or other charges for the services or facilities of the System remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until such time as all such rates, fees and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, 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 promulgated by the PSC, 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 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Connections to System. The Issuer will, to the extent authorized by the laws of the State and the rules and regulations of the PSC, require prospective users of the System to connect thereto.

Section 7.15. Insurance. The Issuer hereby covenants and agrees that so long as the 2006 Series 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 be used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily

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

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

(A) 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 of the Project.

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

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

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

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

Section 7.16. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineer in the form similar to that attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority, the BPH and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the BPH 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. The Consulting Engineer shall certify to the Authority, the BPH and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit a final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the Issuer when the Project is 90% completed. The Issuer shall, at all times, provide operation and maintenance of the System in compliance with any and all State and Federal standards. The Issuer shall employ qualified operating personnel, properly certified by the State, before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

Section 7.17. Completion of Project; Permits and Orders. The Issuer hereby covenants and agrees to 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 applicable laws, rules and regulations issued by the BPH, the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

The Issuer has obtained all permits and approvals required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the PSC and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the 2006 Series A Bonds required by State law.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holder of the 2006 Series 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 2006 Series A Bonds, shall be for the benefit of all Registered Owners of 2006 Series A Bonds and shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer agrees to perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the BPH or other state, federal or local bodies in regard to the construction and acquisition of the Project and the operation, maintenance and use of the System.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

Section 7.21. Securities Law 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. Public Releases. The Issuer shall list the funding provided by the BPH 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 groundbreaking or dedication of the Project.

Section 7.23. Contracts. A. The Issuer shall, simultaneously with the delivery of the 2006 Series A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the 2006 Series A Bonds held in "contingency" as set forth in

the Schedule B attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the 2006 Series A Bonds made available due to bid or construction or project underruns.

## ARTICLE VIII

## INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as any of the 2006 Series A Bonds are Outstanding.

Section 8.02. Certificate and 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 2006 Series A Bonds as a condition to issuance of the 2006 Series 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 2006 Series A Bonds as may be necessary in order to maintain the status of the 2006 Series A Bonds as governmental bonds; (ii) that it shall not take, or permit to suffer to be taken, any action with respect to the Issuer's use of the proceeds of the 2006 Series 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, the Council or the BPH, as the case may be, from which the proceeds of the 2006 Series 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, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section 8.02, 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 2006 Series A Bonds and any additional information requested by the Authority.

## ARTICLE IX

## DEFAULTS AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the 2006 Series A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any 2006 Series A Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the 2006 Series A Bonds set forth in this Resolution or by any Supplemental Resolution thereto, or in the 2006 Series A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Holder of a Bond; or

(C) If a default occurs with respect to the Prior Bonds or the Prior Resolution; or

(D) 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 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, the Loan Agreement, and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the 2006 Series A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of any express trust for the Registered Owners of the 2006 Series A Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the 2006 Series A Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Registered Owners shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, 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 the 2006 Series A 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, or both, 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 2006 Series A 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 Resolution and the Act.

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

Whenever all that is due upon the 2006 Series A Bonds and interest thereon and under any covenants of this Resolution for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any 2006 Series A Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 2006 Series A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such 2006 Series A Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no

court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

## ARTICLE X

## PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the 2006 Series A Bonds, the principal of, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the 2006 Series A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to the issuance of the 2006 Series A Bonds, this Resolution may be amended or supplemented in any way by a Supplemental Resolution. Following the issuance of the 2006 Series A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the 2006 Series A Bonds shall be made without the consent in writing of the Registered Owners of the 2006 Series A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the 2006 Series A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of 2006 Series A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holder of the 2006 Series A Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution, or any Supplemental Resolution thereto, 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, or the 2006 Series A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Resolution. Except for the Prior Resolution, all orders or resolutions and 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 the Resolution and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and passage 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 applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

Adopted this 10th day of January, 2006.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Chairman

By: _____
Member

By: _____
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of EASTERN WYOMING PUBLIC SERVICE DISTRICT on the 10th day of January, 2006.

Dated: January 12, 2006.

[SEAL]

Dallas J. Card

Secretary

Exhibit A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA DWTRF PROGRAM), 2006 SERIES A

No. AR-1 $2,570,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of TWO MILLION FIVE HUNDRED SEVENTY THOUSAND DOLLARS ($2,570,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2007, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Resolution) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2007, as set forth on said Exhibit B.

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 Bureau for Public Health (the "BPH"), 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 BPH, dated January 12, 2006.

This Bond is issued (i) to permanently finance the cost of construction of a new regional water treatment plant, two storage tanks, distribution lines and other

necessary appurtenances by the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond 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 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on January 10, 2006 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $360,000 AND (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $570,000 (COLLECTIVELY THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System on a parity with the lien of the Prior Bonds, and from moneys in the reserve account created under the Bond Resolution for this Bond (the "Reserve Account") and unexpended proceeds of this Bond (the "Bond Proceeds"). 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 moneys in the Reserve Account and unexpended Bond Proceeds. Pursuant to the Bond Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond and the Prior Bonds, provided however, that so long as the Reserve Account is funded at an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, are funded at 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 this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), 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 Resolution, shall be applied solely to payment of the Costs of the Project and costs of issuance hereof described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 Resolution and the statutes under which this Bond is issued shall be deemed to be part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, EASTERN WYOMING 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 January __, 2006.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

_____
Chairman

Attest:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2006 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: January _____, 2006.

_____
UNITED BANK, INC., as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $64,250.00 | | (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)

EXHIBIT B

DEBT SERVICE SCHEDULE

## $2,570,000

Eastern Wyoming PSD

0% Interest Rate, 1% Administrative Fee, 30 Years

Closing Date: January 12, 2006

# Debt Service Schedule

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 03/01/2006 | - | - | - |
| 06/01/2006 | - | - | - |
| 09/01/2006 | - | - | - |
| 12/01/2006 | - | - | - |
| 03/01/2007 | - | - | - |
| 06/01/2007 | - | - | - |
| 09/01/2007 | - | - | - |
| 12/01/2007 | 21,417.00 | - | 21,417.00 |
| 03/01/2008 | 21,417.00 | - | 21,417.00 |
| 06/01/2008 | 21,417.00 | - | 21,417.00 |
| 09/01/2008 | 21,417.00 | - | 21,417.00 |
| 12/01/2008 | 21,417.00 | - | 21,417.00 |
| 03/01/2009 | 21,417.00 | - | 21,417.00 |
| 06/01/2009 | 21,417.00 | - | 21,417.00 |
| 09/01/2009 | 21,417.00 | - | 21,417.00 |
| 12/01/2009 | 21,417.00 | - | 21,417.00 |
| 03/01/2010 | 21,417.00 | - | 21,417.00 |
| 06/01/2010 | 21,417.00 | - | 21,417.00 |
| 09/01/2010 | 21,417.00 | - | 21,417.00 |
| 12/01/2010 | 21,417.00 | - | 21,417.00 |
| 03/01/2011 | 21,417.00 | - | 21,417.00 |
| 06/01/2011 | 21,417.00 | - | 21,417.00 |
| 09/01/2011 | 21,417.00 | - | 21,417.00 |
| 12/01/2011 | 21,417.00 | - | 21,417.00 |
| 03/01/2012 | 21,417.00 | - | 21,417.00 |
| 06/01/2012 | 21,417.00 | - | 21,417.00 |
| 09/01/2012 | 21,417.00 | - | 21,417.00 |
| 12/01/2012 | 21,417.00 | - | 21,417.00 |
| 03/01/2013 | 21,417.00 | - | 21,417.00 |
| 06/01/2013 | 21,417.00 | - | 21,417.00 |
| 09/01/2013 | 21,417.00 | - | 21,417.00 |
| 12/01/2013 | 21,417.00 | - | 21,417.00 |
| 03/01/2014 | 21,417.00 | - | 21,417.00 |
| 06/01/2014 | 21,417.00 | - | 21,417.00 |
| 09/01/2014 | 21,417.00 | - | 21,417.00 |
| 12/01/2014 | 21,417.00 | - | 21,417.00 |
| 03/01/2015 | 21,417.00 | - | 21,417.00 |
| 06/01/2015 | 21,417.00 | - | 21,417.00 |
| 09/01/2015 | 21,417.00 | - | 21,417.00 |
| 12/01/2015 | 21,417.00 | - | 21,417.00 |
| 03/01/2016 | 21,417.00 | - | 21,417.00 |
| 06/01/2016 | 21,417.00 | - | 21,417.00 |
| 09/01/2016 | 21,417.00 | - | 21,417.00 |
| 12/01/2016 | 21,417.00 | - | 21,417.00 |

## $2,570,000

Eastern Wyoming PSD
0% Interest Rate, 1% Administrative Fee, 30 Years
Closing Date: January 12, 2006

# Debt Service Schedule

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 03/01/2017 | 21,417.00 | - | 21,417.00 |
| 06/01/2017 | 21,417.00 | - | 21,417.00 |
| 09/01/2017 | 21,417.00 | - | 21,417.00 |
| 12/01/2017 | 21,417.00 | - | 21,417.00 |
| 03/01/2018 | 21,417.00 | - | 21,417.00 |
| 06/01/2018 | 21,417.00 | - | 21,417.00 |
| 09/01/2018 | 21,417.00 | - | 21,417.00 |
| 12/01/2018 | 21,417.00 | - | 21,417.00 |
| 03/01/2019 | 21,417.00 | - | 21,417.00 |
| 06/01/2019 | 21,417.00 | - | 21,417.00 |
| 09/01/2019 | 21,417.00 | - | 21,417.00 |
| 12/01/2019 | 21,417.00 | - | 21,417.00 |
| 03/01/2020 | 21,417.00 | - | 21,417.00 |
| 06/01/2020 | 21,417.00 | - | 21,417.00 |
| 09/01/2020 | 21,417.00 | - | 21,417.00 |
| 12/01/2020 | 21,417.00 | - | 21,417.00 |
| 03/01/2021 | 21,417.00 | - | 21,417.00 |
| 06/01/2021 | 21,417.00 | - | 21,417.00 |
| 09/01/2021 | 21,417.00 | - | 21,417.00 |
| 12/01/2021 | 21,417.00 | - | 21,417.00 |
| 03/01/2022 | 21,417.00 | - | 21,417.00 |
| 06/01/2022 | 21,417.00 | - | 21,417.00 |
| 09/01/2022 | 21,417.00 | - | 21,417.00 |
| 12/01/2022 | 21,417.00 | - | 21,417.00 |
| 03/01/2023 | 21,417.00 | - | 21,417.00 |
| 06/01/2023 | 21,417.00 | - | 21,417.00 |
| 09/01/2023 | 21,417.00 | - | 21,417.00 |
| 12/01/2023 | 21,417.00 | - | 21,417.00 |
| 03/01/2024 | 21,417.00 | - | 21,417.00 |
| 06/01/2024 | 21,417.00 | - | 21,417.00 |
| 09/01/2024 | 21,417.00 | - | 21,417.00 |
| 12/01/2024 | 21,417.00 | - | 21,417.00 |
| 03/01/2025 | 21,417.00 | - | 21,417.00 |
| 06/01/2025 | 21,417.00 | - | 21,417.00 |
| 09/01/2025 | 21,417.00 | - | 21,417.00 |
| 12/01/2025 | 21,417.00 | - | 21,417.00 |
| 03/01/2026 | 21,417.00 | - | 21,417.00 |
| 06/01/2026 | 21,417.00 | - | 21,417.00 |
| 09/01/2026 | 21,417.00 | - | 21,417.00 |
| 12/01/2026 | 21,417.00 | - | 21,417.00 |
| 03/01/2027 | 21,417.00 | - | 21,417.00 |
| 06/01/2027 | 21,417.00 | - | 21,417.00 |
| 09/01/2027 | 21,417.00 | - | 21,417.00 |
| 12/01/2027 | 21,416.00 | - | 21,416.00 |

## $2,570,000

Eastern Wyoming PSD
0% Interest Rate, 1% Administrative Fee, 30 Years
Closing Date: January 12, 2006

# Debt Service Schedule

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 03/01/2028 | 21,416.00 | - | 21,416.00 |
| 06/01/2028 | 21,416.00 | - | 21,416.00 |
| 09/01/2028 | 21,416.00 | - | 21,416.00 |
| 12/01/2028 | 21,416.00 | - | 21,416.00 |
| 03/01/2029 | 21,416.00 | - | 21,416.00 |
| 06/01/2029 | 21,416.00 | - | 21,416.00 |
| 09/01/2029 | 21,416.00 | - | 21,416.00 |
| 12/01/2029 | 21,416.00 | - | 21,416.00 |
| 03/01/2030 | 21,416.00 | - | 21,416.00 |
| 06/01/2030 | 21,416.00 | - | 21,416.00 |
| 09/01/2030 | 21,416.00 | - | 21,416.00 |
| 12/01/2030 | 21,416.00 | - | 21,416.00 |
| 03/01/2031 | 21,416.00 | - | 21,416.00 |
| 06/01/2031 | 21,416.00 | - | 21,416.00 |
| 09/01/2031 | 21,416.00 | - | 21,416.00 |
| 12/01/2031 | 21,416.00 | - | 21,416.00 |
| 03/01/2032 | 21,416.00 | - | 21,416.00 |
| 06/01/2032 | 21,416.00 | - | 21,416.00 |
| 09/01/2032 | 21,416.00 | - | 21,416.00 |
| 12/01/2032 | 21,416.00 | - | 21,416.00 |
| 03/01/2033 | 21,416.00 | - | 21,416.00 |
| 06/01/2033 | 21,416.00 | - | 21,416.00 |
| 09/01/2033 | 21,416.00 | - | 21,416.00 |
| 12/01/2033 | 21,416.00 | - | 21,416.00 |
| 03/01/2034 | 21,416.00 | - | 21,416.00 |
| 06/01/2034 | 21,416.00 | - | 21,416.00 |
| 09/01/2034 | 21,416.00 | - | 21,416.00 |
| 12/01/2034 | 21,416.00 | - | 21,416.00 |
| 03/01/2035 | 21,416.00 | - | 21,416.00 |
| 06/01/2035 | 21,416.00 | - | 21,416.00 |
| 09/01/2035 | 21,416.00 | - | 21,416.00 |
| 12/01/2035 | 21,416.00 | - | 21,416.00 |
| 03/01/2036 | 21,416.00 | - | 21,416.00 |
| 06/01/2036 | 21,416.00 | - | 21,416.00 |
| 09/01/2036 | 21,416.00 | - | 21,416.00 |
| 12/01/2036 | 21,416.00 | - | 21,416.00 |
| 03/01/2037 | 21,416.00 | - | 21,416.00 |
| 06/01/2037 | 21,416.00 | - | 21,416.00 |
| 09/01/2037 | 21,416.00 | - | 21,416.00 |
| **Total** | **$2,570,000.00** | - | **$2,570,000.00** * |

*Plus $3,239.24 one-percent administrative fee paid quarterly. Total fee over life of loan is $388,708.80.

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA DWTRF PROGRAM), 2006 SERIES A

SPECIMEN

No. AR-1 $2,570,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of TWO MILLION FIVE HUNDRED SEVENTY THOUSAND DOLLARS ($2,570,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2007, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Resolution) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2007, as set forth on said Exhibit B.

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 Bureau for Public Health (the "BPH"), 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 BPH, dated January 12, 2006.

This Bond is issued (i) to permanently finance the cost of construction of a new regional water treatment plant, two storage tanks, distribution lines and other necessary appurtenances by the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond 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 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on January 10, 2006 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $360,000 AND (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $570,000 (COLLECTIVELY THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System on a parity with the lien of the Prior Bonds, and from moneys in the reserve account created under the Bond Resolution for this Bond (the "Reserve Account") and unexpended proceeds of this Bond (the "Bond Proceeds"). 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 moneys in the Reserve Account and unexpended Bond Proceeds. Pursuant to the Bond Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond and the Prior Bonds, provided however, that so long as the Reserve Account is funded at an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, are funded at 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 this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of

this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), 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 Resolution, shall be applied solely to payment of the Costs of the Project and costs of issuance hereof described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 Resolution and the statutes under which this Bond is issued shall be deemed to be part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, EASTERN WYOMING 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 January 12, 2006.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

SPECIMEN

Kenneth D. Pinkerton

Chairman

Attest: SPECIMEN

Dallas Cecil

Secretary

## CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2006 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: January 12, 2006.

UNITED BANK, INC., as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $64,250.00 | 1/12/2006 | (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

**$2,570,000**

Eastern Wyoming PSD

0% Interest Rate, 1% Administrative Fee, 30 Years

Closing Date: January 12, 2006

## Debt Service Schedule

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 03/01/2006 | - | - | - |
| 06/01/2006 | - | - | - |
| 09/01/2006 | - | - | - |
| 12/01/2006 | - | - | - |
| 03/01/2007 | - | - | - |
| 06/01/2007 | - | - | - |
| 09/01/2007 | - | - | - |
| 12/01/2007 | 21,417.00 | - | 21,417.00 |
| 03/01/2008 | 21,417.00 | - | 21,417.00 |
| 06/01/2008 | 21,417.00 | - | 21,417.00 |
| 09/01/2008 | 21,417.00 | - | 21,417.00 |
| 12/01/2008 | 21,417.00 | - | 21,417.00 |
| 03/01/2009 | 21,417.00 | - | 21,417.00 |
| 06/01/2009 | 21,417.00 | - | 21,417.00 |
| 09/01/2009 | 21,417.00 | - | 21,417.00 |
| 12/01/2009 | 21,417.00 | - | 21,417.00 |
| 03/01/2010 | 21,417.00 | - | 21,417.00 |
| 06/01/2010 | 21,417.00 | - | 21,417.00 |
| 09/01/2010 | 21,417.00 | - | 21,417.00 |
| 12/01/2010 | 21,417.00 | - | 21,417.00 |
| 03/01/2011 | 21,417.00 | - | 21,417.00 |
| 06/01/2011 | 21,417.00 | - | 21,417.00 |
| 09/01/2011 | 21,417.00 | - | 21,417.00 |
| 12/01/2011 | 21,417.00 | - | 21,417.00 |
| 03/01/2012 | 21,417.00 | - | 21,417.00 |
| 06/01/2012 | 21,417.00 | - | 21,417.00 |
| 09/01/2012 | 21,417.00 | - | 21,417.00 |
| 12/01/2012 | 21,417.00 | - | 21,417.00 |
| 03/01/2013 | 21,417.00 | - | 21,417.00 |
| 06/01/2013 | 21,417.00 | - | 21,417.00 |
| 09/01/2013 | 21,417.00 | - | 21,417.00 |
| 12/01/2013 | 21,417.00 | - | 21,417.00 |
| 03/01/2014 | 21,417.00 | - | 21,417.00 |
| 06/01/2014 | 21,417.00 | - | 21,417.00 |
| 09/01/2014 | 21,417.00 | - | 21,417.00 |
| 12/01/2014 | 21,417.00 | - | 21,417.00 |
| 03/01/2015 | 21,417.00 | - | 21,417.00 |
| 06/01/2015 | 21,417.00 | - | 21,417.00 |
| 09/01/2015 | 21,417.00 | - | 21,417.00 |
| 12/01/2015 | 21,417.00 | - | 21,417.00 |
| 03/01/2016 | 21,417.00 | - | 21,417.00 |
| 06/01/2016 | 21,417.00 | - | 21,417.00 |
| 09/01/2016 | 21,417.00 | - | 21,417.00 |
| 12/01/2016 | 21,417.00 | - | 21,417.00 |

## $2,570,000

Eastern Wyoming PSD
0% Interest Rate, 1% Administrative Fee, 30 Years
Closing Date: January 12, 2006

# Debt Service Schedule

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 03/01/2017 | 21,417.00 | - | 21,417.00 |
| 06/01/2017 | 21,417.00 | - | 21,417.00 |
| 09/01/2017 | 21,417.00 | - | 21,417.00 |
| 12/01/2017 | 21,417.00 | - | 21,417.00 |
| 03/01/2018 | 21,417.00 | - | 21,417.00 |
| 06/01/2018 | 21,417.00 | - | 21,417.00 |
| 09/01/2018 | 21,417.00 | - | 21,417.00 |
| 12/01/2018 | 21,417.00 | - | 21,417.00 |
| 03/01/2019 | 21,417.00 | - | 21,417.00 |
| 06/01/2019 | 21,417.00 | - | 21,417.00 |
| 09/01/2019 | 21,417.00 | - | 21,417.00 |
| 12/01/2019 | 21,417.00 | - | 21,417.00 |
| 03/01/2020 | 21,417.00 | - | 21,417.00 |
| 06/01/2020 | 21,417.00 | - | 21,417.00 |
| 09/01/2020 | 21,417.00 | - | 21,417.00 |
| 12/01/2020 | 21,417.00 | - | 21,417.00 |
| 03/01/2021 | 21,417.00 | - | 21,417.00 |
| 06/01/2021 | 21,417.00 | - | 21,417.00 |
| 09/01/2021 | 21,417.00 | - | 21,417.00 |
| 12/01/2021 | 21,417.00 | - | 21,417.00 |
| 03/01/2022 | 21,417.00 | - | 21,417.00 |
| 06/01/2022 | 21,417.00 | - | 21,417.00 |
| 09/01/2022 | 21,417.00 | - | 21,417.00 |
| 12/01/2022 | 21,417.00 | - | 21,417.00 |
| 03/01/2023 | 21,417.00 | - | 21,417.00 |
| 06/01/2023 | 21,417.00 | - | 21,417.00 |
| 09/01/2023 | 21,417.00 | - | 21,417.00 |
| 12/01/2023 | 21,417.00 | - | 21,417.00 |
| 03/01/2024 | 21,417.00 | - | 21,417.00 |
| 06/01/2024 | 21,417.00 | - | 21,417.00 |
| 09/01/2024 | 21,417.00 | - | 21,417.00 |
| 12/01/2024 | 21,417.00 | - | 21,417.00 |
| 03/01/2025 | 21,417.00 | - | 21,417.00 |
| 06/01/2025 | 21,417.00 | - | 21,417.00 |
| 09/01/2025 | 21,417.00 | - | 21,417.00 |
| 12/01/2025 | 21,417.00 | - | 21,417.00 |
| 03/01/2026 | 21,417.00 | - | 21,417.00 |
| 06/01/2026 | 21,417.00 | - | 21,417.00 |
| 09/01/2026 | 21,417.00 | - | 21,417.00 |
| 12/01/2026 | 21,417.00 | - | 21,417.00 |
| 03/01/2027 | 21,417.00 | - | 21,417.00 |
| 06/01/2027 | 21,417.00 | - | 21,417.00 |
| 09/01/2027 | 21,417.00 | - | 21,417.00 |
| 12/01/2027 | 21,416.00 | - | 21,416.00 |

## $2,570,000

Eastern Wyoming PSD
0% Interest Rate, 1% Administrative Fee, 30 Years
Closing Date: January 12, 2006

# Debt Service Schedule

| Date | Principal | Coupon | Total P+I |
|---|---|---|---|
| 03/01/2028 | 21,416.00 | - | 21,416.00 |
| 06/01/2028 | 21,416.00 | - | 21,416.00 |
| 09/01/2028 | 21,416.00 | - | 21,416.00 |
| 12/01/2028 | 21,416.00 | - | 21,416.00 |
| 03/01/2029 | 21,416.00 | - | 21,416.00 |
| 06/01/2029 | 21,416.00 | - | 21,416.00 |
| 09/01/2029 | 21,416.00 | - | 21,416.00 |
| 12/01/2029 | 21,416.00 | - | 21,416.00 |
| 03/01/2030 | 21,416.00 | - | 21,416.00 |
| 06/01/2030 | 21,416.00 | - | 21,416.00 |
| 09/01/2030 | 21,416.00 | - | 21,416.00 |
| 12/01/2030 | 21,416.00 | - | 21,416.00 |
| 03/01/2031 | 21,416.00 | - | 21,416.00 |
| 06/01/2031 | 21,416.00 | - | 21,416.00 |
| 09/01/2031 | 21,416.00 | - | 21,416.00 |
| 12/01/2031 | 21,416.00 | - | 21,416.00 |
| 03/01/2032 | 21,416.00 | - | 21,416.00 |
| 06/01/2032 | 21,416.00 | - | 21,416.00 |
| 09/01/2032 | 21,416.00 | - | 21,416.00 |
| 12/01/2032 | 21,416.00 | - | 21,416.00 |
| 03/01/2033 | 21,416.00 | - | 21,416.00 |
| 06/01/2033 | 21,416.00 | - | 21,416.00 |
| 09/01/2033 | 21,416.00 | - | 21,416.00 |
| 12/01/2033 | 21,416.00 | - | 21,416.00 |
| 03/01/2034 | 21,416.00 | - | 21,416.00 |
| 06/01/2034 | 21,416.00 | - | 21,416.00 |
| 09/01/2034 | 21,416.00 | - | 21,416.00 |
| 12/01/2034 | 21,416.00 | - | 21,416.00 |
| 03/01/2035 | 21,416.00 | - | 21,416.00 |
| 06/01/2035 | 21,416.00 | - | 21,416.00 |
| 09/01/2035 | 21,416.00 | - | 21,416.00 |
| 12/01/2035 | 21,416.00 | - | 21,416.00 |
| 03/01/2036 | 21,416.00 | - | 21,416.00 |
| 06/01/2036 | 21,416.00 | - | 21,416.00 |
| 09/01/2036 | 21,416.00 | - | 21,416.00 |
| 12/01/2036 | 21,416.00 | - | 21,416.00 |
| 03/01/2037 | 21,416.00 | - | 21,416.00 |
| 06/01/2037 | 21,416.00 | - | 21,416.00 |
| 09/01/2037 | 21,416.00 | - | 21,416.00 |
| **Total** | **$2,570,000.00** | - | **$2,570,000.00** * |

*Plus $3,239.24 one-percent administrative fee paid quarterly. Total fee over life of loan is $388,708.80.

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

# BOND RESOLUTION

**Authorizing**

**EASTERN WYOMING PUBLIC SERVICE DISTRICT**
**WATER REVENUE BONDS, 2009 SERIES A**
**(WEST VIRGINIA INFRASTRUCTURE FUND)**

Adopted: October 13, 2009

## Table of Contents


Page

**ARTICLE I**

**DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS**

Section 1.01 Definitions ..... 5
Section 1.02 Authority for this Resolution ..... 16
Section 1.03 Findings ..... 16
Section 1.04 Bond Legislation Constitutes Contract ..... 18

**ARTICLE II**

**AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; APPROVAL OF OPERATION AND MAINTENANCE OF THE SYSTEM**

Section 2.01 Authorization of the Acquisition and Construction of the Project ..... 18
Section 2.02 Approval of Operation and Maintenance of the System ..... 18

**ARTICLE III**

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

Section 3.01 Authorization of Bonds ..... 19
Section 3.02 Term of Bonds ..... 19
Section 3.03 Execution of Bonds ..... 20
Section 3.04 Authentication and Registration ..... 20
Section 3.05 Negotiability, Transfer and Registration ..... 20
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost ..... 21
Section 3.07 Bonds Not to be Indebtedness of the Issuer ..... 21
Section 3.08 Bonds Secured by Pledge of Net Revenues ..... 22
Section 3.09 Delivery of Bonds ..... 22
Section 3.10 Form of Bonds ..... 22
Section 3.11 Sale of Bonds; Ratification and Execution of Loan Agreement ..... 22
Section 3.12 Amended Schedule Filing ..... 23

**ARTICLE IV**

**[RESERVED]**

## ARTICLE V

## FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF


Section 5.01 Establishment of Funds and Accounts with Depository Bank .....25
Section 5.02 Establishment of Funds and Accounts with Commission .....25
Section 5.03 System Revenues; Flow of Funds .....25


## ARTICLE VI

## APPLICATION OF BOND PROCEEDS


Section 6.01 Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds ...29
Section 6.02 Disbursements From the Construction Trust Fund.....29
Section 6.03 Excess Bond Proceeds.....30


## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER


Section 7.01 General Covenants of the Issuer.....30
Section 7.02 Bonds not to be Indebtedness of the Issuer .....30
Section 7.03 Bonds Secured by Pledge of Net Revenues; Lien Position.....30
Section 7.04 Initial Schedule of Rates and Charges.....31
Section 7.05 Sale of the System .....31
Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances .....32
Section 7.07 Parity Bonds .....33
Section 7.08 Books; Records and Audit .....35
Section 7.09 Rates .....37
Section 7.10 Operating Budget and Monthly Financial Report .....37
Section 7.11 No Competing Franchise .....38
Section 7.12 Enforcement of Collections.....38
Section 7.13 No Free Services.....39
Section 7.14 Connections to System .....39
Section 7.15 Insurance.....39
Section 7.16 Engineering Services and Operating Personnel.....41
Section 7.17 Completion of Project; Permits and Orders.....41
Section 7.18 Statutory Mortgage Lien.....42
Section 7.19 Compliance with Loan Agreement and Law.....42
Section 7.20 PSC Order.....42
Section 7.21 Securities Law Compliance.....42
Section 7.22 Public Releases.....42
Section 7.23 Contracts.....42

## ARTICLE VIII

## INVESTMENT OF FUNDS


Section 8.01 Investments ..... 43
Section 8.02 Certificate and Covenants as to Use of Proceeds ..... 43


## ARTICLE IX

## DEFAULTS AND REMEDIES


Section 9.01 Events of Default ..... 44
Section 9.02 Remedies ..... 44
Section 9.03 Appointment of Receiver ..... 44


## ARTICLE X

## PAYMENT OF BONDS


Section 10.01 Payment of Bonds ..... 46


## ARTICLE XI

## MISCELLANEOUS


Section 11.01 Amendment or Modification of Resolution ..... 46
Section 11.02 Resolution Constitutes Contract ..... 47
Section 11.03 Severability of Invalid Provisions ..... 47
Section 11.04 Headings, Etc. ..... 47
Section 11.05 Conflicting Provisions Repealed; Prior Resolution ..... 47
Section 11.06 Covenant of Due Procedure, Etc. ..... 47
Section 11.07 Effective Date ..... 47

Exhibit A – Form of Bonds

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS OF WATER TREATMENT AND DISTRIBUTION FACILITIES OF EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, 2009 SERIES A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 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 EASTERN WYOMING PUBLIC SERVICE DISTRICT:

## ARTICLE I

## DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

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

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

"AML Grant" means the West Virginia Department of Environmental Protection – Abandoned Mine Lands Grant in the amount of $9,223,344.

"AML Grant Agreement" means a written commitment for the payment of the West Virginia Department of Environmental Protection – Abandoned Mine Lands

Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the 2009 Series A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

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

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

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

"Bond Registrar" or "Registrar" means United Bank, Inc., Charleston, West Virginia, and its successors and assigns.

"Bonds" means, collectively, the 2009 Series A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or 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 2009 Series A Bonds for all or a portion of the proceeds of the 2009 Series A Bonds.

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

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

"Consulting Engineer" or "Consulting Engineers" means Pentree, Incorporated, Princeton, 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 in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 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" or any similar phrase means those costs described in Section 1.03 D hereof to be 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 Act" means Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended, and in effect on the date of the adoption of this Resolution.

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

"Depository Bank" means First Peoples Bank, Mullens, West Virginia, and its successors and assigns.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

"Governmental Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America including (i) such obligations which have been stripped from their

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

"Grant Receipts" means all moneys received by the Issuer on account of any Grant to pay Costs of the Project.

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

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

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as reference in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

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

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

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

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

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

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

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

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

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

"Issuer" means Eastern Wyoming Public Service District, a public service district and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the 2009 Series 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 this Resolution.

"LCPSD" means the Logan County Public Service District, or any successor thereto, which operates and maintains the System for the Issuer pursuant to an agreement dated August 30, 2001, by and between the Issuer and LCPSD.

"Managing Engineer" means the managing engineer of the Issuer or any successor thereto.

"Net Proceeds" means the face amount of the 2009 Series A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the 2009 Series 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 2009 Series A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

"Operation and Maintenance Agreement" means that certain Agreement dated August 30, 2001 by and between the LCPSD and the Issuer, pursuant to which the LCPSD operates and maintains the Issuer's System.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article X hereof.

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

"Paying Agent" means the West Virginia Municipal Bond Commission and its successors and assigns.

"Prior Bonds" means, collectively, the 2001 Series A Bonds, the 2004 Series A Bonds and the 2006 Series A Bonds.

"Prior Resolution" means, collectively, the resolutions of the Issuer authorizing the Prior Bonds adopted on October 10, 2001, August 23, 2004 and January 10, 2006.

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

"Project" means the Project described in Section 1.03B hereof.

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

"PSC Order" means the Recommended Decision entered December 8, 2008 in Case No. 08-1090-PWD-CN, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on December 28, 2008, with all requisite appeal periods having expired without successful appeal, granting to the Issuer a certificate of convenience and necessity and approving funding for the Project and the rates for the System. This order is in full force and effect.

"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 Unites 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 the 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 practical 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 exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolution and continued by Section 5.01(2) hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the 2009 Series A Bonds and the Prior Bonds.

"Resolution" or "Bond Legislation" means this bond resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution and continued by Section 5.01(1) hereof.

"Secretary" means the Secretary of the Issuer.

"Sinking Funds" shall mean, collectively, the respective sinking funds established for the 2009 Series A Bonds and the Prior Bonds.

"SCBG" means the Small Cities Block Grant in the amount of $1,500,000.

"SCBG Grant Agreement" means a written commitment for the payment of the Small Cities Block Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer, amending or supplementing this Resolution; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the 2009 Series A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the 2009 Series A Bonds, the Prior Bonds or any other obligations of the Issuer, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and Sinking Funds.

"System" means the complete existing waterworks system of the Issuer, including the Project, and any improvements and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 13, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"West Virginia Legislative Digest Grant" means the West Virginia Legislative Digest Grant in the amount of $100,000.

"West Virginia Legislative Digest Grant Agreement" means a written commitment for the payment of the West Virginia Legislative Digest Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is be paid to the Issuer.

"WVIJDC Grant" means the West Virginia Infrastructure and Jobs Development Council Grant in the amount of $537,345.

"WVIJDC Grant Agreement" means a written commitment by and between the Issuer and the West Virginia Water Development Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council for the payment of the West Virginia Infrastructure and Jobs Development Council Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Wyoming County Commission Grant" means the Wyoming County Commission Grant in the amount of $15,000.

"Wyoming County Commission Grant Agreement" means a written commitment for the payment of the Wyoming County Commission Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"2001 Series A Bonds" means the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original aggregate principal amount of $360,000.

"2004 Series A Bonds" means the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original aggregate principal amount of $570,000.

"2006 Series A Bonds" means the Eastern Wyoming Public Service District Water Revenue Bonds, 2006 Series A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original aggregate principal amount of $2,570,000.

"2009 Series A Bonds" means the Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"2009 Series A Bonds Construction Trust Fund" means the 2009 Series A Bonds Construction Trust Fund created by Section 5.01 hereof.

"2009 Series A Bonds Reserve Account" means the 2009 Series A Bonds Reserve Account established by Section 5.02.

"2009 Series A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the 2009 Series A Bonds in the then current or any succeeding year.

"2009 Series A Bonds Sinking Fund" means the 2009 Series A Bonds Sinking Fund established by Section 5.02.

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

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

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

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

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof, is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer is a public service district and a public corporation and political subdivision of the State, located in and near Mullens, Wyoming County, West Virginia, created pursuant to the Act by an order issued by The County Commission of Wyoming County, West Virginia.

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 the Issuer acquire, construct, improve and extend the existing public waterworks facilities of the Issuer including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County (the "Project"), which constitute properties for the treatment and distribution of potable water (the existing public water system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have heretofore been filed with the Issuer and to pay the cost of issuance hereof and related costs.

C. The estimated maximum cost of the construction and acquisition of the Project is approximately $12,375,689, of which approximately $1,000,000 will be permanently financed by the 2009 Series A Bonds herein authorized. The remaining cost will be funded with a $9,223,344 AML Grant, a $1,500,000 SCBG, a $537,345 WVIJDC Grant, a $100,000 West Virginia Legislative Digest Grant and a $15,000 Wyoming County Commission Grant.

D. It is necessary for the Issuer to issue its Water Revenue Bonds, 2009 A (West Virginia Infrastructure Fund), 2009 Series A in the aggregate principal amount of $1,000,000 to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering and

legal expenses; interest, if any, upon the 2009 Series A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts; expenses for estimates of costs and revenues and for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses, commitment fees, fees and expenses of the Authority, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the 2009 Series 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 the Project 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 2009 Series A Bonds or the repayment of indebtedness, incurred by the Issuer for such purposes shall be deemed part of the Costs of the Project.

E. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the Operating Expenses of the System, the principal of and interest on the Prior Bonds and, the 2009 Series A Bonds and to make payments into all fund and accounts and other payments provided for herein and in the Prior Resolution.

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

G. There are outstanding obligations of the Issuer which will rank on parity with the 2009 Series A Bonds as to liens, pledge, and source of and security for payment, which obligations are designated and have the lien positions with respect to the 2009 Series A Bonds as follows:

| Designation | Lien Position |
|---|---|
| Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, in the original principal amount of $360,000 | First Lien |
| Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, in the original principal amount of $570,000 | First Lien |
| Water Revenue Bonds, 2006 Series A (West Virginia DWTRF Program), dated January 12, 2006, in the original principal | First Lien |

amount of $2,570,000 (collectively, the "Prior Bonds")

The 2009 Series A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements for issuance of bonds on a parity with the Prior Bonds and the resolutions authorizing the Prior Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the 2009 Series A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the 2009 Series 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.

H. It is in the best interests of the Issuer that the 2009 Series A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, operation of the System, and the issuance of the 2009 Series A Bonds, or will have so complied prior to the issuance of the 2009 Series A Bonds, including, among other things, the obtaining of the PSC Order.

J. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended. That, unless it qualifies for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act.

K. The Issuer shall not permit at any time or times any of the proceeds of the 2009 Series A Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the 2009 Series A Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 2009 Series A Bonds by those who shall be 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 benefit, protection and security of the Registered Owners of the 2009 Series A Bonds.

## ARTICLE II

## AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; APPROVAL OF OPERATION AND MAINTENANCE OF THE SYSTEM

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 $12,375,689 in accordance with the plans and specifications which have been prepared by the Consulting Engineers and heretofore filed in the office of the Governing Body. The proceeds of the 2009 Series A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

Section 2.02. Approval of Operation and Maintenance of the System. The Issuer hereby approves the operation and maintenance of the System by LCPSD, for and on behalf of the Issuer, along with any other assets of the Issuer that the Issuer may desire for LCPSD to operate and maintain, pursuant to the Operation and Maintenance Agreement.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Costs of the Project and paying certain costs of issuance and related costs, there shall be and hereby are authorized to be issued negotiable 2009 Series A Bonds of the Issuer. The 2009 Series A Bonds shall be issued as a single bond, numbered AR-1, to be designated the "Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund)," in the aggregate principal amount of $1,000,000, and shall have such terms as are set forth hereinafter in this Resolution or any Supplemental Resolution thereto. The proceeds of the 2009 Series A Bonds shall be deposited in the 2009 Series A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Term of Bonds. The 2009 Series A Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2049, and shall bear no interest. The principal of the 2009 Series A Bonds shall be payable quarterly, on March 1,

June 1, September 1 and December 1 of each year, commencing June 1, 2011, and maturing September 1, 2049, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the 2009 Series A Bonds. In the event of an inconsistency between the terms hereof and the Loan Agreement, the terms of the Loan Agreement shall apply. The 2009 Series A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the 2009 Series A Bonds. The 2009 Series 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 and private debts under the laws of the United States of America. Interest on the 2009 Series A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by this Resolution or any Supplemental Resolution thereto, the 2009 Series A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule and a record of advances attached, representing the aggregate principal amount of the 2009 Series A Bonds. The 2009 Series A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered bond 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.

Section 3.03. Execution of Bonds. The 2009 Series A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto and attested by the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the 2009 Series A Bonds shall cease to be such officer of the Issuer before the 2009 Series A Bonds so signed and sealed shall have been actually sold or delivered, such 2009 Series A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2009 Series A Bonds had not ceased to hold such office. Any 2009 Series 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 2009 Series A Bonds shall hold the proper office of the Issuer, although at the date of such 2009 Series A Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, to serve as the Bond Registrar for the 2009 Series A Bonds. No 2009 Series A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution

unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Bond Registrar if 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 2009 Series A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the 2009 Series A Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said 2009 Series A Bonds, shall be conclusively deemed to have agreed that said 2009 Series A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said 2009 Series A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the 2009 Series A Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the 2009 Series A Bonds.

The 2009 Series A Bonds shall be transferrable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the 2009 Series A Bonds or transferring the 2009 Series A Bonds is exercised, such Bonds shall be delivered in accordance with the provisions of this Resolution. All 2009 Series A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of 2009 Series 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 obligated to make any such exchange or transfer of 2009 Series A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date, if any, on the 2009 Series A Bonds or, in the case of any proposed redemption of 2009 Series A Bonds, next preceding the date of the selection of 2009 Series

A Bonds to be redeemed, and ending on such interest payment date, if any, or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any 2009 Series 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 2009 Series A Bond of the same series and of like tenor of the 2009 Series A 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 the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and Bond Registrar may incur. All 2009 Series A 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 2009 Series A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts in the 2009 Series A Bonds Reserve Account. No Holder or Holders of any of the 2009 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 2009 Series A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the 2009 Series A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on 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, if any, on and other payments for the 2009 Series A Bonds and the Prior Bonds and to make the payments into the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund hereinafter established, and established in the Prior Resolution, are hereby irrevocably pledged to the payment of the principal of and interest, if any, on the Prior Bonds and the 2009 Series A Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the 2009 Series A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the 2009 Series A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the 2009 Series 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 2009 Series A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the 2009 Series A Bonds.

Section 3.10. Form of Bonds. The text of the 2009 Series A Bonds shall be in substantially the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or by any Supplemental Resolution thereto adopted prior to the issuance thereof.

Section 3.11. Sale of Bonds; Ratification and Execution of Loan Agreement. The 2009 Series A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as Exhibit B and made part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached hereto, is hereby approved and incorporated into this Bond Legislation.

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

## ARTICLE IV

[RESERVED]

## ARTICLE V

## FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) 2009 Series A Bonds Construction Trust Fund.

The Issuer hereby appoints and designates First Peoples Bank, located in Mullens, West Virginia, as the Depository Bank under the Resolution.

Section 5.02. Establishment of Funds and Accounts with Commission. The Issuer hereby appoints and designates the Commission as the Paying Agent for the 2009 Series A Bonds. The following 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) 2009 Series A Bonds Sinking Fund; and

(2) 2009 Series 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 created pursuant to the Prior Resolution. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required to pay principal of the Prior Bonds, as required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of

payment of principal of the 2009 Series A Bonds, for deposit in the 2009 Series A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the 2009 Series 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 2009 Series 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.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Accounts for the Prior Bonds, the amounts required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2009 Series A Bonds, if not fully funded upon issuance of the 2009 Series A Bonds, for deposit in the 2009 Series A Bonds Reserve Account, an amount equal to 1/120th of the 2009 Series A Bonds Reserve Requirement, until the amount in the 2009 Series A Bonds Reserve Account equals the Series 2009 A Bonds Reserve Requirement; provided that no further payments shall be made into the 2009 Series A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the 2009 Series A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Resolution and not in addition thereto) the amounts required by the Prior Resolution and a sum equal to 2½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the 2009 Series A Bonds Sinking Fund shall be used only for the purpose of paying principal of, and interest, if any, on the 2009

Series A Bonds as the same shall become due. Moneys in the 2009 Series A Bonds Reserve Account shall be used only for the purpose of paying principal of, and interest, if any, on the 2009 Series A Bonds, as the same shall come due, when other moneys in the 2009 Series A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the 2009 Series A Bonds Reserve Account shall be transferred, not less than once each year, to the 2009 Series A Bonds Construction Trust Fund prior to completion of the Project and thereafter to the 2009 Series A Bonds Sinking Fund.

Any withdrawals from the 2009 Series A Bonds Reserve Account which result in a reduction in the balance of such account to below the 2009 Series A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the 2009 Series A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on and principal of such Parity Bonds and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Commission is hereby designated as the fiscal agent for the administration of the 2009 Series A Bonds Sinking Fund and the 2009 Series A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into such accounts are automatically debited from the Revenue Fund and electronically transferred to the Commission on the required date.

Moneys in the 2009 Series A Bonds Reserve Account and 2009 Series A Bonds Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The 2009 Series A Bonds Sinking Fund and the 2009 Series A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the 2009 Series A Bonds under the conditions and restrictions hereinafter set forth.

Interest, principal or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect

to the 2009 Series A Bonds and the Prior Bonds in accordance with the respective principal amounts then outstanding.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest, if any, and reserve account payments with respect to the 2009 Series A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by 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 the charges and the fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the 2009 Series A

Bonds Reserve Account have not, as of such date, funded such account to the requirement therefor.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the 2009 Series A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and used for any lawful purpose of the System.

## ARTICLE VI

## APPLICATION OF BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. Moneys received from time to time from the sale of the 2009 Series A Bonds shall be deposited with the Depository Bank in the 2009 Series A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project and until so expended are hereby pledged as additional security for the 2009 Series A Bonds.

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

Except as provided in Section 6.01 hereof, disbursements from the 2009 Series 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, moneys in the 2009 Series A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

Section 6.03. Excess Bond Proceeds. Upon completion of the Project, as certified by the Consulting Engineers, and after all costs have been paid, any remaining proceeds of the 2009 Series A Bonds shall be applied as directed by the Council.

## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the 2009 Series A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holder or Holders of the 2009 Series 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 said 2009 Series A Bonds are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The 2009 Series A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the 2009 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 2009 Series A Bonds.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the 2009 Series A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the 2009 Series A Bonds herein authorized and to make the payments into all funds and accounts, and all other payments provided for in this Resolution and the Prior Resolution are hereby irrevocably pledged to such payments as the same become due, and for the other purposes provided in this Resolution.

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 are and

shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision entered December 8, 2008 in Case No. 08-1090-PWD-CN, which became a Final Order of the PSC on December 28, 2008, with all requisite appeal periods having expired without successful appeal. Such Final Order is in full force and effect, and such rates and charges are hereby adopted.

So long as the 2009 Series A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the requirements of the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the 2009 Series A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates 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 2009 Series A Bonds and the Prior Bonds are outstanding and except as otherwise required by law or with the written consent of the Council, the Authority and the Holders of the Prior Bonds, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the 2009 Series A Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the 2009 Series A Bonds, immediately be remitted to the Commission for deposit in the 2009 Series A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the 2009 Series A Bonds. Any balance remaining after the payment of the 2009 Series A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holder 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 2009 Series A Bonds. All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the 2009 Series A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolution 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 2009 Series A Bonds, and any interest thereon, upon any of the income and revenues of the System pledged for payment of the 2009 Series A Bonds and the interest thereon, if any, in this Resolution, or upon the System or any part hereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the 2009 Series A Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided and, as provided in the Prior Resolution, so long as the Prior Bonds are outstanding.

All Parity Bonds issued hereunder shall be on a parity in all respects with the 2009 Series A Bonds. The prior written consent of the Authority and the Council must be received prior to the issuance of any Parity Bonds.

No such Parity Bonds shall be issued except for the purposes of financing the costs of the acquisition or construction of extensions, additions, 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 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 three succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired

prior to the date of delivery of such Parity Bonds including the revenues from new customers to be served, 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 discussed 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, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the 2009 Series A Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Any Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for 2009 Series A Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2009 Series A Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project sites and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or their duly authorized agents and representatives, to inspect all books,

documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any state and federal grants or other sources of financing for the Project.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of 2009 Series A Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the PSC. 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 initiate the manner by which subsidiary records of the accounting system, which may be installed remotely from the direct supervision of the Governing Body, shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Council, the Authority or any other original purchaser of the 2009 Series A Bonds, and shall mail in each year to any Holder or Holders of 2009 Series A Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution 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 thereof, and the Single Audit Act, or any successor thereof, to the extent legally required), 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 2009 Series A Bonds, and shall submit said report to the Authority and the Council, or any other purchaser of the 2009 Series A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Resolution and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Approvals of equitable rates or charges for the use of and service rendered by the System have been obtained all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the 2009 Series A Bonds and all other obligations

secured by a lien on or payable from such revenues on a parity with the 2009 Series A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the 2009 Series A Bonds Reserve Requirement are on deposit in the 2009 Series A Bonds Reserve Account and all reserve accounts for obligations on a parity with the 2009 Series 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 2009 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2009 Series A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services of the System set forth in Section 7.04, so long as the 2009 Series A Bonds are outstanding.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing 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 the Managing 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 Authority and the Council and to any Holder of any 2009 Series A Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any 2009 Series A Bonds or anyone acting for and in behalf of such Holder of any 2009 Series A Bonds.

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

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

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

Whenever any rates, fees, rentals or other charges for the services or facilities of the System remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until such time as all such rates, fees and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, 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 promulgated by the PSC, 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 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Connections to System. The Issuer will, to the extent authorized by the laws of the State and the rules and regulations of the PSC, require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the 2009 Series 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 be used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

(A) 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 of the Project.

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

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

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

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

Section 7.16. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate 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. The Consulting Engineer shall certify to the Authority, the Council and the Issuer at the completion of construction that construction of the Project is in

accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer hereby covenants and agrees to 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 and approvals required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the PSC and the Council necessary for the acquisition and construction of the Project, the operation of the System and all approvals for issuance of the 2009 Series A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holder of the 2009 Series 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 2009 Series A Bonds, shall be for the benefit of all Registered Owners of 2009 Series A Bonds and shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer agrees to perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the construction and acquisition of the Project and the operation, maintenance and use of the System.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

Section 7.21. Securities Law 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. Public Releases. 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 groundbreaking or dedication of the Project.

Section 7.23. Contracts. A. The Issuer shall, simultaneously with the delivery of the 2009 Series A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

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 2009 Series A Bonds held in "contingency" as set forth in the Schedule B 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 2009 Series A Bonds made available due to bid or construction or project underruns.

Section 7.24. Additional New Customers. The Issuer shall serve the additional new customers at the location(s) as set forth in Schedule X to the Loan Agreement. The Issuer shall not reduce the amount of additional customers served by the Project without the prior written consent of the Board of the WDA. Following completion of the Project, the Issuer shall certify to the Authority the number of customers added to the System.

Section 7.25. Annual Maintenance Audit. The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the PSC.

## ARTICLE VIII

## INVESTMENT OF FUNDS

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

Except as specifically provided herein, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, 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 2009 Series A Bonds are Outstanding.

Section 8.02. Certificate and 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 2009 Series A Bonds as a condition to issuance of the 2009 Series 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 2009 Series A Bonds as may be necessary in order to maintain the status of the 2009 Series A Bonds as governmental bonds; (ii) that it shall not take, or permit to suffer to be taken, any action with respect to the Issuer's use of the proceeds of the 2009 Series 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 2009 Series 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 8.02, 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 2009 Series A Bonds and any additional information requested by the Authority.

## ARTICLE IX

## DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the 2009 Series A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest, if any, on the 2009 Series A Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the 2009 Series A Bonds set forth in this Resolution or by any Supplemental Resolution thereto, or in the 2009 Series A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Holder of a Bond; or

(C) If a default occurs with respect to the Prior Bonds or the Prior Resolution; or

(D) 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 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, the Loan Agreement, and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the 2009 Series A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of any express trust for the Registered Owners of the 2009 Series A Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the 2009 Series A Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Registered Owners shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, 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 the 2009 Series A 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, or both, 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 2009 Series A 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 Resolution and the Act.

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

Whenever all that is due upon the 2009 Series A Bonds and interest thereon, if any, and under any covenants of this Resolution for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any 2009 Series A Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 2009 Series A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such 2009 Series A Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

## ARTICLE X

## PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the 2009 Series A Bonds, the principal of, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the 2009 Series A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to the issuance of the 2009 Series A Bonds, this Resolution may be amended or supplemented in any way by a Supplemental Resolution. Following the issuance of the 2009 Series A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the 2009 Series A Bonds shall be made without the consent in writing of the Registered Owners of the 2009 Series A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the 2009 Series A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of 2009 Series A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holder of the 2009 Series A Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution, or any Supplemental Resolution thereto, 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, or the 2009 Series A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Resolution. Except for the Prior Resolution, all orders or resolutions and 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 the Resolution and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and passage 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 applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

Adopted this 13th day of October, 2009.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Chairman

By: _____
Member

By: _____
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of EASTERN WYOMING PUBLIC SERVICE DISTRICT on the 13th day of October, 2009.

Dated: October 16, 2009.

[SEAL]

Dallas Cecil

Secretary

Exhibit A

(FORM OF 2009 SERIES A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $1,000,000

KNOW ALL MEN BY THESE PRESENTS: That on this 16th day of October, 2009, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of ONE MILLION DOLLARS ($1,000,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, 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 October 16, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks facilities of the Issuer including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County (the

"Project"), and (ii) to pay certain costs of issuance of the 2009 Series A 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 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on October 13, 2009 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $360,000, (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000, AND (3) WATER REVENUE BONDS, 2006 SERIES A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,570,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System on a parity with the lien of the Prior Bonds, and from moneys in the reserve account created under the Bond Resolution for this Bond (the "Reserve Account") and unexpended proceeds of this Bond (the "Bond Proceeds"). 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 moneys in the Reserve Account and unexpended Bond Proceeds. Pursuant to the Bond Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond and the Prior Bonds, provided however, that so long as the Reserve Account is funded at an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any

succeeding year, and the reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, are funded at 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 this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), 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 Resolution, shall be applied solely to payment of the Costs of the Project and costs of issuance hereof described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 Resolution and the statutes under which this Bond is issued shall be deemed to be part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, EASTERN WYOMING 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 above written.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

_____

Chairman

Attest:

_____

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2009 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: October 16, 2009.

UNITED BANK, INC.,
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 $

(Form of)

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

1779723 (9717.10)

# Specimen

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $1,000,000

KNOW ALL MEN BY THESE PRESENTS: That on this 16th day of October, 2009, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of ONE MILLION DOLLARS ($1,000,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, 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 October 16, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks facilities of the Issuer including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County (the "Project"), and (ii) to pay certain costs of issuance of the 2009 Series A 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 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on October 13, 2009 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such

bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $360,000, (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000, AND (3) WATER REVENUE BONDS, 2006 SERIES A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,570,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System on a parity with the lien of the Prior Bonds, and from moneys in the reserve account created under the Bond Resolution for this Bond (the "Reserve Account") and unexpended proceeds of this Bond (the "Bond Proceeds"). 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 moneys in the Reserve Account and unexpended Bond Proceeds. Pursuant to the Bond Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond and the Prior Bonds, provided however, that so long as the Reserve Account is funded at an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, are funded at 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 this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), 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 Resolution, shall be applied solely to payment of the Costs of the Project and costs of issuance hereof described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 Resolution and the statutes under which this Bond is issued shall be deemed to be part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, EASTERN WYOMING 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 above written.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

Specimen

Chairman

Attest:

Specimen

Secretary

1807257
(9717.10)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2009 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: October 16, 2009.

UNITED BANK, INC.,
as Registrar

Specimen

Authorized Officer

1807257
(9717.10)

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $21,057.31 | October 16, 2009 | (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

# DEBT SERVICE SCHEDULE

| | 0% Interest Rate | | | |
|---|---|---|---|---|
| | 40 Years from Closing Date | | | |
| | | Dated Date | 10/16/09 | |
| | | Delivery Date | 10/16/09 | |
| | Period Ending | Principal | Interest | Debt Service |
| | 10/16/09 | | | |
| | 6/1/11 | 6,494 | | 6,494 |
| | 9/1/11 | 6,494 | | 6,494 |
| | 12/1/11 | 6,494 | | 6,494 |
| | 3/1/12 | 6,494 | | 6,494 |
| | 6/1/12 | 6,494 | | 6,494 |
| | 9/1/12 | 6,494 | | 6,494 |
| | 12/1/12 | 6,494 | | 6,494 |
| | 3/1/13 | 6,494 | | 6,494 |
| | 6/1/13 | 6,494 | | 6,494 |
| | 9/1/13 | 6,494 | | 6,494 |
| | 12/1/13 | 6,494 | | 6,494 |
| | 3/1/14 | 6,494 | | 6,494 |
| | 6/1/14 | 6,494 | | 6,494 |
| | 9/1/14 | 6,494 | | 6,494 |
| | 12/1/14 | 6,494 | | 6,494 |
| | 3/1/15 | 6,494 | | 6,494 |
| | 6/1/15 | 6,494 | | 6,494 |
| | 9/1/15 | 6,494 | | 6,494 |
| | 12/1/15 | 6,494 | | 6,494 |
| | 3/1/16 | 6,494 | | 6,494 |
| | 6/1/16 | 6,494 | | 6,494 |
| | 9/1/16 | 6,494 | | 6,494 |
| | 12/1/16 | 6,494 | | 6,494 |
| | 3/1/17 | 6,494 | | 6,494 |
| | 6/1/17 | 6,494 | | 6,494 |
| | 9/1/17 | 6,494 | | 6,494 |
| | 12/1/17 | 6,494 | | 6,494 |
| | 3/1/18 | 6,494 | | 6,494 |
| | 6/1/18 | 6,494 | | 6,494 |
| | 9/1/18 | 6,494 | | 6,494 |
| | 12/1/18 | 6,494 | | 6,494 |
| | 3/1/19 | 6,494 | | 6,494 |
| | 6/1/19 | 6,494 | | 6,494 |
| | 9/1/19 | 6,494 | | 6,494 |
| | 12/1/19 | 6,494 | | 6,494 |
| | 3/1/20 | 6,494 | | 6,494 |
| | 6/1/20 | 6,494 | | 6,494 |
| | 9/1/20 | 6,494 | | 6,494 |
| | 12/1/20 | 6,494 | | 6,494 |
| | 3/1/21 | 6,494 | | 6,494 |
| | 6/1/21 | 6,494 | | 6,494 |
| | 9/1/21 | 6,494 | | 6,494 |
| | 12/1/21 | 6,494 | | 6,494 |
| | 3/1/22 | 6,494 | | 6,494 |

| | 0% Interest Rate | | | |
|---|---|---|---|---|
| | 40 Years from Closing Date | | | |
| | | | | |
| | Period Ending | Principal | Interest | Debt Service |
| | 6/1/22 | 6,494 | | 6,494 |
| | 9/1/22 | 6,494 | | 6,494 |
| | 12/1/22 | 6,494 | | 6,494 |
| | 3/1/23 | 6,494 | | 6,494 |
| | 6/1/23 | 6,494 | | 6,494 |
| | 9/1/23 | 6,494 | | 6,494 |
| | 12/1/23 | 6,494 | | 6,494 |
| | 3/1/24 | 6,494 | | 6,494 |
| | 6/1/24 | 6,494 | | 6,494 |
| | 9/1/24 | 6,494 | | 6,494 |
| | 12/1/24 | 6,494 | | 6,494 |
| | 3/1/25 | 6,494 | | 6,494 |
| | 6/1/25 | 6,494 | | 6,494 |
| | 9/1/25 | 6,494 | | 6,494 |
| | 12/1/25 | 6,494 | | 6,494 |
| | 3/1/26 | 6,494 | | 6,494 |
| | 6/1/26 | 6,494 | | 6,494 |
| | 9/1/26 | 6,494 | | 6,494 |
| | 12/1/26 | 6,494 | | 6,494 |
| | 3/1/27 | 6,494 | | 6,494 |
| | 6/1/27 | 6,494 | | 6,494 |
| | 9/1/27 | 6,494 | | 6,494 |
| | 12/1/27 | 6,494 | | 6,494 |
| | 3/1/28 | 6,494 | | 6,494 |
| | 6/1/28 | 6,494 | | 6,494 |
| | 9/1/28 | 6,494 | | 6,494 |
| | 12/1/28 | 6,494 | | 6,494 |
| | 3/1/29 | 6,494 | | 6,494 |
| | 6/1/29 | 6,494 | | 6,494 |
| | 9/1/29 | 6,494 | | 6,494 |
| | 12/1/29 | 6,494 | | 6,494 |
| | 3/1/30 | 6,494 | | 6,494 |
| | 6/1/30 | 6,494 | | 6,494 |
| | 9/1/30 | 6,493 | | 6,493 |
| | 12/1/30 | 6,493 | | 6,493 |
| | 3/1/31 | 6,493 | | 6,493 |
| | 6/1/31 | 6,493 | | 6,493 |
| | 9/1/31 | 6,493 | | 6,493 |
| | 12/1/31 | 6,493 | | 6,493 |
| | 3/1/32 | 6,493 | | 6,493 |
| | 6/1/32 | 6,493 | | 6,493 |
| | 9/1/32 | 6,493 | | 6,493 |
| | 12/1/32 | 6,493 | | 6,493 |
| | 3/1/33 | 6,493 | | 6,493 |
| | 6/1/33 | 6,493 | | 6,493 |
| | 9/1/33 | 6,493 | | 6,493 |
| | 12/1/33 | 6,493 | | 6,493 |
| | 3/1/34 | 6,493 | | 6,493 |
| | 6/1/34 | 6,493 | | 6,493 |

| 0% Interest Rate<br>40 Years from Closing Date | | | |
|---|---|---|---|
| Period Ending | Principal | Interest | Debt Service |
| 9/1/34 | 6,493 | | 6,493 |
| 12/1/34 | 6,493 | | 6,493 |
| 3/1/35 | 6,493 | | 6,493 |
| 6/1/35 | 6,493 | | 6,493 |
| 9/1/35 | 6,493 | | 6,493 |
| 12/1/35 | 6,493 | | 6,493 |
| 3/1/36 | 6,493 | | 6,493 |
| 6/1/36 | 6,493 | | 6,493 |
| 9/1/36 | 6,493 | | 6,493 |
| 12/1/36 | 6,493 | | 6,493 |
| 3/1/37 | 6,493 | | 6,493 |
| 6/1/37 | 6,493 | | 6,493 |
| 9/1/37 | 6,493 | | 6,493 |
| 12/1/37 | 6,493 | | 6,493 |
| 3/1/38 | 6,493 | | 6,493 |
| 6/1/38 | 6,493 | | 6,493 |
| 9/1/38 | 6,493 | | 6,493 |
| 12/1/38 | 6,493 | | 6,493 |
| 3/1/39 | 6,493 | | 6,493 |
| 6/1/39 | 6,493 | | 6,493 |
| 9/1/39 | 6,493 | | 6,493 |
| 12/1/39 | 6,493 | | 6,493 |
| 3/1/40 | 6,493 | | 6,493 |
| 6/1/40 | 6,493 | | 6,493 |
| 9/1/40 | 6,493 | | 6,493 |
| 12/1/40 | 6,493 | | 6,493 |
| 3/1/41 | 6,493 | | 6,493 |
| 6/1/41 | 6,493 | | 6,493 |
| 9/1/41 | 6,493 | | 6,493 |
| 12/1/41 | 6,493 | | 6,493 |
| 3/1/42 | 6,493 | | 6,493 |
| 6/1/42 | 6,493 | | 6,493 |
| 9/1/42 | 6,493 | | 6,493 |
| 12/1/42 | 6,493 | | 6,493 |
| 3/1/43 | 6,493 | | 6,493 |
| 6/1/43 | 6,493 | | 6,493 |
| 9/1/43 | 6,493 | | 6,493 |
| 12/1/43 | 6,493 | | 6,493 |
| 3/1/44 | 6,493 | | 6,493 |
| 6/1/44 | 6,493 | | 6,493 |
| 9/1/44 | 6,493 | | 6,493 |
| 12/1/44 | 6,493 | | 6,493 |
| 3/1/45 | 6,493 | | 6,493 |
| 6/1/45 | 6,493 | | 6,493 |
| 9/1/45 | 6,493 | | 6,493 |
| 12/1/45 | 6,493 | | 6,493 |
| 3/1/46 | 6,493 | | 6,493 |
| 6/1/46 | 6,493 | | 6,493 |
| 9/1/46 | 6,493 | | 6,493 |

| | 0% Interest Rate | | | |
|---|---|---|---|---|
| | 40 Years from Closing Date | | | |
| | | | | |
| | Period Ending | Principal | Interest | Debt Service |
| | 12/1/46 | 6,493 | | 6,493 |
| | 3/1/47 | 6,493 | | 6,493 |
| | 6/1/47 | 6,493 | | 6,493 |
| | 9/1/47 | 6,493 | | 6,493 |
| | 12/1/47 | 6,493 | | 6,493 |
| | 3/1/48 | 6,493 | | 6,493 |
| | 6/1/48 | 6,493 | | 6,493 |
| | 9/1/48 | 6,493 | | 6,493 |
| | 12/1/48 | 6,493 | | 6,493 |
| | 3/1/49 | 6,493 | | 6,493 |
| | 6/1/49 | 6,493 | | 6,493 |
| | 9/1/49 | 6,494 | | 6,494 |
| | | 1,000,000 | | 1,000,000 |

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

1779723 (9717.10)

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION OF THE ASSETS OF THE ALPOCA WATER WORKS, INC. AND MAKING CERTAIN IMPROVEMENTS THERETO BY EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $250,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 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 EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2014 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 2014 A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2014 A Bonds in substantially the form set forth in Section 3.10 hereof.

"Chairperson" means the Chairperson of the Governing Body of the Issuer or any temporary Acting Chairperson duly elected by the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Series 2014 A Bonds for all or a portion of the proceeds of the Series 2014 A Bonds.

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

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

"Consulting Engineers" means E. L. Robinson Engineering Co., Charleston, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03E hereof to be a part of the cost of acquisition and undertaking of the Project.

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

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

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

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

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

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

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

"Investment Property" means

(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 Eastern Wyoming Public Service District, a public service district, public corporation and political subdivision of the State in Wyoming County and includes the Governing Body.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2014 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.

"Managing Engineer" means the Managing Engineer of the Issuer or any successor thereto.

"Net Proceeds" means the face amount of the Series 2014 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2014 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 2014 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, as hereinafter defined and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value

of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Parity Bonds" means additional Parity 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 2014 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's (i) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000; (ii) Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000; (iii) Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000; and (iv) Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original aggregate principal amount of $1,000,000.

"Prior Resolutions" means, collectively, the resolutions of the Issuer adopted October 10, 2001, August 23, 2004, January 10, 2006, and October 13, 2009, authorizing the Prior Bonds.

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

"Project" means the acquisition of the assets of Alpoca Water Works, Inc. and making of certain improvements thereto, a description of which is attached hereto as Exhibit A and incorporated herein by reference.

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

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to acquire and undertake the Project and approving the financing for the Project and the rates of the System.

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

(a) Government Obligations;

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

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

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

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

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

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

(h) Advance-Refunded Municipal Bonds.

"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.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts of the Series 2014 A Bonds and the Prior Bonds.

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

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

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

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

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000.

"Series 2004 A Bonds" means the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000.

"Series 2006 A Bonds" means the Issuer's Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000.

"Series 2009 A Bonds" means the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original principal amount of $1,000,000.

"Series 2014 A Bonds" means the Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2014 A Bonds Project Trust Fund" means the Series 2014 A Bonds Project Trust Fund established by Section 5.01 hereof.

"Series 2014 A Bonds Reserve Account" means the Series 2014 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2014 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2014 A Bonds in the then current or any succeeding year.

"Series 2014 A Bonds Sinking Fund" means the Series 2014 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds of the Series 2014 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer amendatory hereof or supplemental hereto and when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2014 A Bonds; provided, that any provisions intended by this Resolution to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Series 2014 A Bonds and the Prior Bonds, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and the Sinking Funds.

"System" means the complete public service properties of the Issuer for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the

Chairperson or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairperson or Acting Secretary.

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

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

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

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

A. The Issuer is a public service district, public corporation and political subdivision of the State in Wyoming County of said State. The Issuer presently owns and operates a public water system in Wyoming County. However, the Issuer deems it necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and undertaken the Project.

B. The Issuer intends to permanently finance the costs of acquisition and undertaking of the Project through the issuance of its revenue bonds to the Authority.

C. The estimated maximum cost of acquisition and undertaking of the Project is $250,000, of which $250,000 will be obtained from the Series 2014 A Bonds.

D. The estimated revenues to be derived in each year after acquisition and undertaking of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2014 A Bonds and to make payments into all funds and accounts provided for in this Resolution and the Prior Resolutions.

E. It is deemed necessary for the Issuer to issue the Series 2014 A Bonds in the aggregate principal amount of not more than $250,000, to permanently finance the costs of acquisition and undertaking of the Project. Such costs shall be deemed to include the cost of acquisition of any public service properties, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 2014 A Bonds prior to and during acquisition and for six months after completion of acquisition and undertaking of the Project; 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 and such other expenses as may be necessary or incident to the financing herein authorized, the acquisition and undertaking of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

F. The Series 2014 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 2014 A Bonds, the Issuer will obtain (1) the certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; (2) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2014 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.

G. The period of usefulness of the System after acquisition and undertaking of the Project is not less than 40 years.

H. It is in the best interests of the Issuer that the Series 2014 A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, undertaking and operation of the Project and issuance of the Series 2014 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the Council and the obtaining of the PSC Order, the time for rehearing and appeal of which has expired or will have been waived prior to the issuance of the Series 2014 A Bonds.

J. The Issuer shall not permit at any time or times any of the proceeds of the Series 2014 A Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2014 A Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2014 A Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such 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 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II

## AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT

Section 2.01. Authorization of Acquisition and Undertaking of the Project. There is hereby authorized and ordered the acquisition and undertaking of the Project, at an estimated cost of not to exceed $250,000. The proceeds of the Series 2014 A Bonds shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the acquisition and undertaking of the Project, which are in an amount and otherwise compatible with the financing plan submitted to the Council and the Authority.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the costs of the Project and paying the costs of issuance of the Series 2014 A Bonds and related costs, there shall be and hereby are authorized to be issued negotiable Series 2014 A Bonds of the Issuer. The Series 2014 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund)," in the aggregate principal amount of not more than $250,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2014 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2014 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, if any, on the Series 2014 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution or herein, the Series 2014 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2014 A Bonds. The Series 2014 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2014 A Bonds shall be executed in the name of the Issuer by the Chairperson, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and

sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2014 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 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 Resolution. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2014 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide registered owner for value.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2014 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, register 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 Registered Owner's furnishing proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2014 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Registered Owner of such Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds. The payment of the debt service on the Series 2014 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2014 A Bonds and the Prior Bonds and to make payments into all funds and accounts hereinafter established and established in the Prior Resolutions, 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 2014 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2014 A Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate, register and deliver the Series 2014 A Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of the Series 2014 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2014 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-___ $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ___day of _____, 200__, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming 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,_____, 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 _____20__.

This Bond is issued (i) to pay the costs of acquisition of the assets of Alpoca Water Works, Inc. and making certain improvements thereto (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on March __, 2014, and a Supplemental Resolution duly adopted by the Issuer on _____, 2014 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides

for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; AND (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2014 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2014 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2014 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution)

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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

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

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2014 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2014.

_____

_____, 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 said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement. The Series 2014 A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairperson is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Resolution.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and undertaking of the Project, the Issuer will file with the Authority and the Council a schedule, 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

## 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 Prior Resolutions);

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

(3) Series 2014 A Bonds Project Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2014 A Bonds Sinking Fund; and

(2) Series 2014 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, remit the interest payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions.

(3) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the principal payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2014 A Bonds, remit to the Commission for deposit in the Series 2014 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2014 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 2014 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.

(4) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the reserve account payments to the Reserve Accounts of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2014 A Bonds, if not fully funded upon issuance of the Series 2014 A Bonds, remit to the Commission for deposit in the Series 2014 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2014 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2014 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2014 A Bonds Reserve Requirement.

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

Moneys in the Series 2014 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2014 A Bonds as the same shall become due. Moneys in the Series 2014 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2014 A Bonds as the same shall come due, when other moneys in the Series 2014 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2014 A Bonds Reserve Account (if fully funded) shall be transferred, not less than once each year, to the Series 2014 A Bonds Project Trust Fund during the acquisition and undertaking of the Project and following completion of the Project to the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2014 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2014 A Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2014 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2014 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2014 A Bonds Sinking Fund or the Series 2014 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2014 A Bonds then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal 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 2014 A Bonds and the Prior 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 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates hereunder.

Moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2014 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 interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required

by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent, or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay the charges and the fees then due. The Issuer shall make the necessary arrangements whereby payments to the Commission under this paragraph shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03A hereof, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the Reserve Accounts have not, as of such date, funded such account to the requirement therefor.

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

## ARTICLE VI

## APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2014 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2014 A Bonds, there shall first be deposited with the Commission in the Series 2014 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 2014 A Bonds for the period commencing on the date of issuance of the Series 2014 A Bonds and ending 6 months after the estimated date of completion of acquisition and undertaking of the Project.

B. Next, from the proceeds of the Series 2014 A Bonds, there shall be deposited with the Commission in the Series 2014 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2014 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2014 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2014 A Bonds Project Trust Fund and applied solely to payment of the 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 2014 A Bonds.

D. After completion of the acquisition and undertaking of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2014 A Bonds shall be expended as directed by the Council.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2014 A Bonds Project Trust Fund shall be made only after submission to and approval from the Council of a certificate, signed by an Authorized Officer and the Managing Engineer, 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, moneys in the Series 2014 A Bonds Project 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 2014 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2014 A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2014 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 the Series 2014 A Bonds, or the interest thereon, are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2014 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Registered Owner of the Series 2014 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2014 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2014 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners 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 2014 A Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in this Resolution and the Prior Resolutions.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the PSC Order and such rates are hereby adopted.

So long as the Series 2014 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 this Resolution and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2014 A Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner

authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the System may not be sold, transferred, mortgaged, leased or otherwise disposed of, except in accordance with the terms of the Prior Resolutions. So long as the Series 2014 A Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay or redeem at or prior to maturity all the Bonds Outstanding, or to effectively defease this Resolution in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2014 A Bonds, immediately be remitted to the Commission for deposit in the Series 2014 A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2014 A Bonds. Any balance remaining after the payment of the Series 2014 A Bonds and interest thereon, if any, shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall, upon receipt of approval of the Registered Owners, if needed, be remitted by the Issuer to the Commission for deposit in the appropriate Sinking Funds and shall be applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price, or, if not redeemable at par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other

amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay or redeem prior to maturity all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners 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. So long as the Series 2014 A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2014 A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolutions (so long as the Prior Bonds are Outstanding). All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2014 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolutions have been made and are current at the time of 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 liens of the Series 2014 A Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2014 A Bonds and the interest, if any, thereon in this Resolution, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued except in accordance with the terms of the Prior Resolutions. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Resolution, except under the conditions and in the manner provided herein and with the prior written consent of the Authority.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2014 A Bonds.

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

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three 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 three 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 PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, including the revenues from new customers to be served, 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 and approved by the PSC, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Bonds and the Registered Owners of any Parity Bonds 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 respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2014 A Bonds.

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

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 and undertaking 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 any and all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition and undertaking of the Project, the operation and maintenance of the System and the administration of the loan or any State and federal 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 times following completion of acquisition and undertaking 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 Registered Owner of the Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner 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 Authority and the Council and shall mail in each year to any Registered Owners of the 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 Resolution and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2014 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2014 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to issuance of the Series 2014 A Bonds, approvals of equitable rates or charges for the use of and service rendered by the System have been obtained 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 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 2014 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2014 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 2014 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2014 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 2014 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2014 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 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing 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 the Managing 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 Authority and the Council and to any Registered Owner of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the Council and any Registered Owner of any Bonds or anyone acting for and in behalf of such Registered Owner of any Bonds.

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

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

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council covering the supervision and inspection of the acquisition and undertaking of the Project.

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

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

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

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 PSC, 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 PSC, 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. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar

circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2014 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

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

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and undertaking of the Project, all orders and approvals from the PSC and the Council necessary for the acquisition and undertaking of the Project and the operation of the System and all approvals for issuance of the Series 2014 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [Reserved].

Section 7.19. Statutory Mortgage Lien. For the further protection of the Registered Owners of the Series 2014 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2014 A Bonds; provided however, that the statutory mortgage lien of the Series 2014 A Bonds shall be on a parity with the statutory mortgage lien of the Prior Bonds.

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

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

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2014 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition and undertaking 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 2014 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineers. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2014 A Bonds made available due to 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.

Section 7.22. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

## ARTICLE VIII

## INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as the Series 2014 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2014 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate 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 2014 A Bonds as a condition to issuance of the Series 2014 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 2014 A Bonds as may be necessary in order to maintain the status of the Series 2014 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 2014 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 2014 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 2014 A Bonds and any additional information requested by the Authority.

## ARTICLE IX

## DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2014 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2014 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 2014 A Bonds set forth in this Resolution, any Supplemental Resolution or in the Series 2014 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a Bond; or

(3) If a default occurs under the Prior Resolutions or the Prior Bonds; or

(4) 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 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2014 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, 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 the 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 undertaking of the Project, or both, 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 Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate and maintain, manage and control the System, 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 the System as the Issuer itself might do.

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

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

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

## ARTICLE X

## PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owner of the Series 2014 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2014 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to issuance of the Series 2014 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2014 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2014 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2014 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Resolution may be amended without the consent of any Registered Owner 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 2014 A Bonds from gross income of the Registered Owner thereof.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the Series 2014 A Bonds and no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution and the Series 2014 A Bonds.

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

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

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

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

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

Adopted this 11th day of March, 2014.

Chairperson

Member

Member

## CERTIFICATION

Certified as a true copy of a Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 11th day of March, 2014.

Dated this 11th day of March, 2014.

[SEAL]

Secretary

## EXHIBIT A

## PROJECT DESCRIPTION

The Project consists of the acquisition of the assets of Alpoca Water Works, Inc., at Bud, West Virginia and Alpoca, West Virginia and surrounding areas of Wyoming County described as the treatment plant, distribution facilities, materials stored, maintenance equipment, tools, etc., together will all appurtenant facilities, and making certain improvements thereto.

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2014 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

2.4

# BOND RESOLUTION

## Table of Contents

Page


ARTICLE I ..... 1

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS ..... 1

Section 1.01. Definitions ..... 1

Section 1.02. Authority for this Resolution ..... 9

Section 1.03. Findings ..... 9

Section 1.04. Resolution Constitutes Contract ..... 10

ARTICLE II ..... 11

AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT ..... 11

Section 2.01. Authorization of Acquisition and Undertaking of the Project ..... 11

ARTICLE III ..... 12

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT ..... 112

Section 3.01. Authorization of Bonds ..... 12

Section 3.02. Terms of Bonds ..... 12

Section 3.03. Execution of Bonds ..... 12

Section 3.04. Authentication and Registration ..... 13

Section 3.05. Negotiability, Transfer and Registration ..... 13

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost ..... 14

Section 3.07. Bonds not to be Indebtedness of the Issuer ..... 14

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds ..... 14

Section 3.09. Delivery of Bonds. ..... 14
Section 3.10. Form of Bonds ..... 14
Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement ..... 24
Section 3.12. Filing of Amended Schedule ..... 24

ARTICLE IV ..... 25
[RESERVED] ..... 25

ARTICLE V ..... 26
SYSTEM REVENUES AND APPLICATION THEREOF ..... 26
Section 5.01. Establishment of Funds and Accounts with Depository Bank ..... 26
Section 5.02. Establishment of Funds and Accounts with Commission ..... 26
Section 5.03. System Revenues; Flow of Funds ..... 26

ARTICLE VI ..... 30
APPLICATION OF BOND PROCEEDS ..... 30
Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds ..... 30
Section 6.02. Disbursements from Bond Project Trust Fund. ..... 30

ARTICLE VII ..... 32
ADDITIONAL COVENANTS OF THE ISSUER ..... 32
Section 7.01. General Covenants of the Issuer ..... 32
Section 7.02. Bonds not to be Indebtedness of the Issuer ..... 32
Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds ..... 32
Section 7.04. Initial Schedule of Rates and Charges ..... 32
Section 7.05. Sale of the System ..... 33
Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances ..... 34
Section 7.07. Parity Bonds ..... 34
Section 7.08. Books; Records and Audit ..... 36

Section 7.09. Rates ..... 37
Section 7.10. Operating Budget and Monthly Financial Report ..... 38
Section 7.11. Engineering Services and Operating Personnel ..... 39
Section 7.12. No Competing Franchise ..... 39
Section 7.13. Enforcement of Collections ..... 39
Section 7.14. No Free Services ..... 39
Section 7.15. Insurance and Construction Bonds ..... 40
Section 7.16. Connections ..... 41
Section 7.17. Completion and Operation of Project; Permits and Orders ..... 41
Section 7.18. [Reserved] ..... 41
Section 7.19. Statutory Mortgage Lien ..... 41
Section 7.20. Compliance with Loan Agreement and Law ..... 41
Section 7.21. Contracts; Public Releases ..... 412
Section 7.22. Securities Law Compliance ..... 42

ARTICLE VIII ..... 43
INVESTMENT OF FUNDS ..... 43
Section 8.01. Investment of Funds ..... 413
Section 8.02. Certificate as to Use of Proceeds ..... 43

ARTICLE IX ..... 45
DEFAULT AND REMEDIES ..... 45
Section 9.01. Events of Default ..... 45
Section 9.02. Remedies ..... 45
Section 9.03. Appointment of Receiver ..... 45

ARTICLE X ..... 47
PAYMENT OF BONDS ..... 47
Section 10.01. Payment of Bonds ..... 47

ARTICLE XI ..... 48
MISCELLANEOUS ..... 48

Section 11.01. Amendment or Modification of Resolution....48
Section 11.02. Resolution Constitutes Contract....48
Section 11.03. Severability of Invalid Provisions....48
Section 11.04. Headings, Etc....48
Section 11.05. Conflicting Provisions Repealed; Prior Resolutions....48
Section 11.06. Covenant of Due Procedure, Etc....48
Section 11.07. Effective Date....50

Exhibit A - Project Description....52

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2014 A
(WEST VIRGINIA INFRASTRUCTURE FUND)



SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO SUCH BONDS; 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 Eastern Wyoming Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on March 11, 2014 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION OF THE ASSETS OF THE ALPOCA WATER WORKS, INC. AND MAKING CERTAIN IMPROVEMENTS THERETO BY EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $250,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount not to exceed $250,000.00 (the "Bonds" or the "Series 2014 A Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 2014 A

Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority ("the Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be therein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF EASTERN WYOMING 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 Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the original principal amount of $250,000.00. The Series 2014 A Bonds shall be dated the date of delivery, shall finally mature March 1, 2054, and shall bear no interest. The principal of the Series 2014 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2014 A Bonds. The Series 2014 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2014 A Bonds.

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

Section 3. The Issuer hereby authorizes, approves, ratifies and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairperson and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that

the proceeds of the Series 2014 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer hereby appoints and designates First Peoples Bank, Mullens, West Virginia, to serve as the Depository Bank under the Resolution.

Section 7. Series 2014 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2014 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2014 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2014 A Bonds Reserve Account.

Section 9. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about March 25, 2014.

Section 10. The acquisition and undertaking of the Project, and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

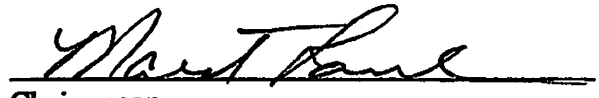
Section 12. The Issuer hereby approves and accepts all contracts relating to the financing and acquisition of the Project, and the Chairperson is hereby authorized and directed to execute and deliver all such contracts.

Section 13. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

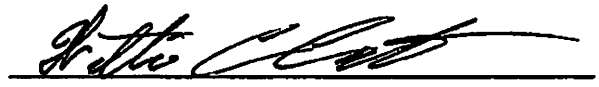
Section 14. The Issuer hereby authorizes the sweeping of its account by the Municipal Bond Commission to the Series 2014 A Bonds Sinking Fund for the Series 2014 A Bonds Reserve Account.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

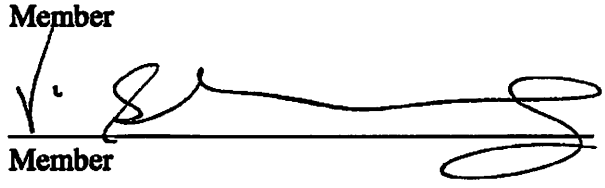
Adopted this 11th day of March, 2014.



Chairperson



Member



Member

## CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 11th day of March, 2014.

Dated this 11th day of March, 2014.

[SEAL]

Secretary

NUMBER AR-1

SPECIMEN



UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2014 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $250,000

KNOW ALL MEN BY THESE PRESENTS: That on this 25th day of March, 2014, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, 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 25, 2014.

This Bond is issued (i) to pay the costs of acquisition of the assets of Alpoca Water Works, Inc. and making certain improvements thereto (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water 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,

SPECIMEN

Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on March 11, 2014, and a Supplemental Resolution duly adopted by the Issuer on March 11, 2014 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; AND (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2014 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2014 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2014 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this

SPECIMEN

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

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

[SEAL]

SPECIMEN
Chairperson

ATTEST:

SPECIMEN
Secretary

NUMBER

AR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2014 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: March 25, 2014.

UNITED BANK, INC.,
as Registrar

SPECIMEN

X _____
Authorized Officer

NUMBER
AR-1

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $156, 916.69 | 3/25/14 | (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 $

NUMBER
AR-1

SPECIMEN

EXHIBIT B

# DEBT SERVICE SCHEDULE

Bond Debt Service
Eastern Wyoming Public Service District
IF
$250,000
0% Interest Rate
40 Years from Closing Date

| | |
|---|---|
| Dated Date | 3/25/2014 |
| Delivery Date | 3/25/2014 |

| Period Ending | Principal | Interest | Debt Service |
|---|---|---|---|
| 12/1/2014 | 1,583 | - | 1,583 |
| 3/1/2015 | 1,583 | - | 1,583 |
| 6/1/2015 | 1,583 | - | 1,583 |
| 9/1/2015 | 1,583 | - | 1,583 |
| 12/1/2015 | 1,583 | - | 1,583 |
| 3/1/2016 | 1,583 | - | 1,583 |
| 6/1/2016 | 1,583 | - | 1,583 |
| 9/1/2016 | 1,583 | - | 1,583 |
| 12/1/2016 | 1,583 | - | 1,583 |
| 3/1/2017 | 1,583 | - | 1,583 |
| 6/1/2017 | 1,583 | - | 1,583 |
| 9/1/2017 | 1,583 | - | 1,583 |
| 12/1/2017 | 1,583 | - | 1,583 |
| 3/1/2018 | 1,583 | - | 1,583 |
| 6/1/2018 | 1,583 | - | 1,583 |
| 9/1/2018 | 1,583 | - | 1,583 |
| 12/1/2018 | 1,583 | - | 1,583 |
| 3/1/2019 | 1,583 | - | 1,583 |
| 6/1/2019 | 1,583 | - | 1,583 |
| 9/1/2019 | 1,583 | - | 1,583 |
| 12/1/2019 | 1,583 | - | 1,583 |
| 3/1/2020 | 1,583 | - | 1,583 |
| 6/1/2020 | 1,583 | - | 1,583 |
| 9/1/2020 | 1,583 | - | 1,583 |
| 12/1/2020 | 1,583 | - | 1,583 |
| 3/1/2021 | 1,583 | - | 1,583 |
| 6/1/2021 | 1,583 | - | 1,583 |
| 9/1/2021 | 1,583 | - | 1,583 |
| 12/1/2021 | 1,583 | - | 1,583 |
| 3/1/2022 | 1,583 | - | 1,583 |
| 6/1/2022 | 1,583 | - | 1,583 |
| 9/1/2022 | 1,583 | - | 1,583 |
| 12/1/2022 | 1,583 | - | 1,583 |
| 3/1/2023 | 1,583 | - | 1,583 |
| 6/1/2023 | 1,583 | - | 1,583 |
| 9/1/2023 | 1,583 | - | 1,583 |
| 12/1/2023 | 1,583 | - | 1,583 |
| 3/1/2024 | 1,583 | - | 1,583 |
| 6/1/2024 | 1,583 | - | 1,583 |
| 9/1/2024 | 1,583 | - | 1,583 |
| 12/1/2024 | 1,583 | - | 1,583 |
| 3/1/2025 | 1,583 | - | 1,583 |
| 6/1/2025 | 1,583 | - | 1,583 |

NUMBER

AR-1

SPECIMEN

Bond Debt Service

Eastern Wyoming Public Service District

IF

$250,000

0% Interest Rate

40 Years from Closing Date

| Period Ending | Principal | Interest | Debt Service |
|---|---|---|---|
| 9/1/2025 | 1,582 | - | 1,582 |
| 12/1/2025 | 1,582 | - | 1,582 |
| 3/1/2026 | 1,582 | - | 1,582 |
| 6/1/2026 | 1,582 | - | 1,582 |
| 9/1/2026 | 1,582 | - | 1,582 |
| 12/1/2026 | 1,582 | - | 1,582 |
| 3/1/2027 | 1,582 | - | 1,582 |
| 6/1/2027 | 1,582 | - | 1,582 |
| 9/1/2027 | 1,582 | - | 1,582 |
| 12/1/2027 | 1,582 | - | 1,582 |
| 3/1/2028 | 1,582 | - | 1,582 |
| 6/1/2028 | 1,582 | - | 1,582 |
| 9/1/2028 | 1,582 | - | 1,582 |
| 12/1/2028 | 1,582 | - | 1,582 |
| 3/1/2029 | 1,582 | - | 1,582 |
| 6/1/2029 | 1,582 | - | 1,582 |
| 9/1/2029 | 1,582 | - | 1,582 |
| 12/1/2029 | 1,582 | - | 1,582 |
| 3/1/2030 | 1,582 | - | 1,582 |
| 6/1/2030 | 1,582 | - | 1,582 |
| 9/1/2030 | 1,582 | - | 1,582 |
| 12/1/2030 | 1,582 | - | 1,582 |
| 3/1/2031 | 1,582 | - | 1,582 |
| 6/1/2031 | 1,582 | - | 1,582 |
| 9/1/2031 | 1,582 | - | 1,582 |
| 12/1/2031 | 1,582 | - | 1,582 |
| 3/1/2032 | 1,582 | - | 1,582 |
| 6/1/2032 | 1,582 | - | 1,582 |
| 9/1/2032 | 1,582 | - | 1,582 |
| 12/1/2032 | 1,582 | - | 1,582 |
| 3/1/2033 | 1,582 | - | 1,582 |
| 6/1/2033 | 1,582 | - | 1,582 |
| 9/1/2033 | 1,582 | - | 1,582 |
| 12/1/2033 | 1,582 | - | 1,582 |
| 3/1/2034 | 1,582 | - | 1,582 |
| 6/1/2034 | 1,582 | - | 1,582 |
| 9/1/2034 | 1,582 | - | 1,582 |
| 12/1/2034 | 1,582 | - | 1,582 |
| 3/1/2035 | 1,582 | - | 1,582 |
| 6/1/2035 | 1,582 | - | 1,582 |
| 9/1/2035 | 1,582 | - | 1,582 |
| 12/1/2035 | 1,582 | - | 1,582 |
| 3/1/2036 | 1,582 | - | 1,582 |
| 6/1/2036 | 1,582 | - | 1,582 |
| 9/1/2036 | 1,582 | - | 1,582 |
| 12/1/2036 | 1,582 | - | 1,582 |
| 3/1/2037 | 1,582 | - | 1,582 |

Mar 6, 2014 11:23 am Prepared by Piper Jaffray & Co. (WDA:LOANS-EWPSD114) 3

NUMBER

AR-1

SPECIMEN

Bond Debt Service

Eastern Wyoming Public Service District

IF

$250,000

0% Interest Rate

40 Years from Closing Date

| Period Ending | Principal | Interest | Debt Service |
|---|---|---|---|
| 6/1/2037 | 1,582 | - | 1,582 |
| 9/1/2037 | 1,582 | - | 1,582 |
| 12/1/2037 | 1,582 | - | 1,582 |
| 3/1/2038 | 1,582 | - | 1,582 |
| 6/1/2038 | 1,582 | - | 1,582 |
| 9/1/2038 | 1,582 | - | 1,582 |
| 12/1/2038 | 1,582 | - | 1,582 |
| 3/1/2039 | 1,582 | - | 1,582 |
| 6/1/2039 | 1,582 | - | 1,582 |
| 9/1/2039 | 1,582 | - | 1,582 |
| 12/1/2039 | 1,582 | - | 1,582 |
| 3/1/2040 | 1,582 | - | 1,582 |
| 6/1/2040 | 1,582 | - | 1,582 |
| 9/1/2040 | 1,582 | - | 1,582 |
| 12/1/2040 | 1,582 | - | 1,582 |
| 3/1/2041 | 1,582 | - | 1,582 |
| 6/1/2041 | 1,582 | - | 1,582 |
| 9/1/2041 | 1,582 | - | 1,582 |
| 12/1/2041 | 1,582 | - | 1,582 |
| 3/1/2042 | 1,582 | - | 1,582 |
| 6/1/2042 | 1,582 | - | 1,582 |
| 9/1/2042 | 1,582 | - | 1,582 |
| 12/1/2042 | 1,582 | - | 1,582 |
| 3/1/2043 | 1,582 | - | 1,582 |
| 6/1/2043 | 1,582 | - | 1,582 |
| 9/1/2043 | 1,582 | - | 1,582 |
| 12/1/2043 | 1,582 | - | 1,582 |
| 3/1/2044 | 1,582 | - | 1,582 |
| 6/1/2044 | 1,582 | - | 1,582 |
| 9/1/2044 | 1,582 | - | 1,582 |
| 12/1/2044 | 1,582 | - | 1,582 |
| 3/1/2045 | 1,582 | - | 1,582 |
| 6/1/2045 | 1,582 | - | 1,582 |
| 9/1/2045 | 1,582 | - | 1,582 |
| 12/1/2045 | 1,582 | - | 1,582 |
| 3/1/2046 | 1,582 | - | 1,582 |
| 6/1/2046 | 1,582 | - | 1,582 |
| 9/1/2046 | 1,582 | - | 1,582 |
| 12/1/2046 | 1,582 | - | 1,582 |
| 3/1/2047 | 1,582 | - | 1,582 |
| 6/1/2047 | 1,582 | - | 1,582 |
| 9/1/2047 | 1,582 | - | 1,582 |
| 12/1/2047 | 1,582 | - | 1,582 |
| 3/1/2048 | 1,582 | - | 1,582 |
| 6/1/2048 | 1,582 | - | 1,582 |
| 9/1/2048 | 1,582 | - | 1,582 |
| 12/1/2048 | 1,582 | - | 1,582 |

Mar 6, 2014 11:23 am Prepared by Piper Jaffray & Co. (WDA:LOANS-EWPSD114) 4

NUMBER

AR-1

SPECIMEN

Bond Debt Service

Eastern Wyoming Public Service District

IF

$250,000

0% Interest Rate

40 Years from Closing Date

| Period Ending | Principal | Interest | Debt Service |
|---|---|---|---|
| 3/1/2049 | 1,582 | - | 1,582 |
| 6/1/2049 | 1,582 | - | 1,582 |
| 9/1/2049 | 1,582 | - | 1,582 |
| 12/1/2049 | 1,582 | - | 1,582 |
| 3/1/2050 | 1,582 | - | 1,582 |
| 6/1/2050 | 1,582 | - | 1,582 |
| 9/1/2050 | 1,582 | - | 1,582 |
| 12/1/2050 | 1,582 | - | 1,582 |
| 3/1/2051 | 1,582 | - | 1,582 |
| 6/1/2051 | 1,582 | - | 1,582 |
| 9/1/2051 | 1,582 | - | 1,582 |
| 12/1/2051 | 1,582 | - | 1,582 |
| 3/1/2052 | 1,582 | - | 1,582 |
| 6/1/2052 | 1,582 | - | 1,582 |
| 9/1/2052 | 1,582 | - | 1,582 |
| 12/1/2052 | 1,582 | - | 1,582 |
| 3/1/2053 | 1,582 | - | 1,582 |
| 6/1/2053 | 1,582 | - | 1,582 |
| 9/1/2053 | 1,582 | - | 1,582 |
| 12/1/2053 | 1,582 | - | 1,582 |
| 3/1/2054 | 1,583 | - | 1,583 |
| | 250,000 | - | 250,000 |

NUMBER
AR-1

(Form of) SPECIMEN

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUIRING, CONSTRUCTION, AND EXTENSION AND IMPROVEMENTS TO THE WATER SYSTEM OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $315,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 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 EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2015 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

"Board" or "Governing Body" means the public service board of the Issuer and shall include the membership of the Board as may hereafter be duly constituted as the legal

successors to the present membership or any other authority vested with and authorized to exercise the powers of the Issuer.

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

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

"Bonds" means, collectively, the Series 2015 A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2015 A Bonds in substantially the form set forth in Section 3.10 hereof.

"Chairperson" means the Chairperson of the Governing Body of the Issuer or any temporary Acting Chairperson duly elected by the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Series 2015 A Bonds for all or a portion of the proceeds of the Series 2015 A Bonds.

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

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

"Consulting Engineers" means E. L. Robinson Engineering Co., Charleston, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03E hereof to be a part of the cost of acquisition and undertaking of the Project.

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

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

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

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

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

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

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

"Investment Property" means

(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 Eastern Wyoming Public Service District, a public service district, public corporation and political subdivision of the State in Wyoming County and includes the Governing Body.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2015 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2015 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2015 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 2015 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, as hereinafter defined and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with

interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents, notices or other action by a specified percentage of Registered Owners, any Bonds registered to the Issuer.

"Parity Bonds" means additional Parity 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 2015 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's (i) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000; (ii) Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000; (iii) Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000; (iv) Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original aggregate principal amount of $1,000,000; and (v) Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original aggregate principal amount of $250,000.

"Prior Resolutions" means, collectively, the resolutions of the Issuer adopted October 10, 2001, August 23, 2004, January 10, 2006, October 13, 2009, and March 11, 2014, authorizing the Prior Bonds.

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

"Project" means the acquisition, construction, and extension of the water system to service the unincorporated communities of Barkers Ridge/Basin/Phase I

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

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to acquire and undertake the Project and approving the financing for the Project and the rates of the System.

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

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal

Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; the Governmental National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

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

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

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

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

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

(h) Advance-Refunded Municipal Bonds.

"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.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts of the Series 2015 A Bonds and the Prior Bonds.

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

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

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

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

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000.

"Series 2004 A Bonds" means the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000.

"Series 2006 A Bonds" means the Issuer's Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000.

"Series 2009 A Bonds" means the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original principal amount of $1,000,000.

"Series 2014 A Bonds" means the Water Reserve Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original principal amount of $250,000.

"Series 2015 A Bonds" means the Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2015 A Bonds Project Trust Fund" means the Series 2015 A Bonds Project Trust Fund established by Section 5.01 hereof.

"Series 2015 B Bonds Reserve Account" means the Series 2015 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2015 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2015 A Bonds in the then current or any succeeding year.

"Series 2015 A Bonds Sinking Fund" means the Series 2015 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds of the Series 2015 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer amendatory hereof or supplemental hereto and when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2015 A Bonds; provided, that any provisions intended by this Resolution to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Series 2015 A Bonds and the Prior Bonds, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and the Sinking Funds.

"System" means the complete public service properties of the Issuer for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

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

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

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

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

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

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

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

A. The Issuer is a public service district, public corporation and political subdivision of the State in Wyoming County of said State. The Issuer presently owns and operates a public water system in Wyoming County. However, the Issuer deems it necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and undertaken the Project.

B. The Issuer intends to permanently finance the costs of acquisition and undertaking of the Project through the issuance of its revenue bonds to the Authority.

C. The estimated maximum cost of acquisition and undertaking of the Project is $7,724,249.10, of which $315,000 will be obtained from the Series 2015 A Bonds; $1,500,000 will be from an ARC Grant and $5,909,249.10 will be from an AML Grant.

D. The estimated revenues to be derived in each year after acquisition and undertaking of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2015 A Bonds and to make payments into all funds and accounts provided for in this Resolution and the Prior Resolutions.

E. It is deemed necessary for the Issuer to issue the Series 2015 A Bonds in the aggregate principal amount of not more than $315,000, to permanently finance the costs of acquisition and undertaking of the Project. Such costs shall be deemed to include the cost of acquisition of any public service properties, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 2015 A Bonds prior to and during acquisition and for six months after completion of acquisition and undertaking of the Project; 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 and such other expenses as may be necessary or incident to the financing herein authorized, the acquisition and undertaking of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

F. The Series 2015 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 2015 A Bonds, the Issuer will obtain (1) the certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; (2) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2015 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.

G. The period of usefulness of the System after acquisition and undertaking of the Project is not less than 40 years.

H. It is in the best interests of the Issuer that the Series 2015 A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, undertaking and operation of the Project and issuance of the Series 2015 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the Council and the obtaining of the PSC Order, the time for rehearing and appeal of which has expired or will have been waived prior to the issuance of the Series 2015 A Bonds.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2015 A Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such 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 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II

## AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT

Section 2.01. Authorization of Acquisition and Undertaking of the Project. There is hereby authorized and ordered the acquisition and undertaking of the Project, at an estimated cost of not to exceed $7,724,249.10. The proceeds of the Series 2015 A Bonds shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the acquisition and undertaking of the Project, which are in an amount and otherwise compatible with the financing plan submitted to the Council and the Authority.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the costs of the Project and paying the costs of issuance of the Series 2015 A Bonds and related costs, there shall be and hereby are authorized to be issued negotiable Series 2015 A Bonds of the Issuer. The Series 2015 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund)," in the aggregate principal amount of not more than $315,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2015 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2015 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, if any, on the Series 2015 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution or herein, the Series 2015 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2015 A Bonds. The Series 2015 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2015 A Bonds shall be executed in the name of the Issuer by the Chairperson, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and

sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2015 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 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 Resolution. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2015 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide registered owner for value.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2015 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, register 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 Registered Owner's furnishing proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2015 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Registered Owner of such Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds. The payment of the debt service on the Series 2015 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2015 A Bonds and the Prior Bonds and to make payments into all funds and accounts hereinafter established and established in the Prior Resolutions, 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 2015 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2015 A Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate, register and deliver the Series 2015 A Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of the Series 2015 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2015 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-___ $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ___day of _____, 200__, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming 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,_____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of one percent (1%) per annum. Principal installments and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of 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 _____20__.

This Bond is issued (i) to pay the costs of acquisition of the assets of Alpoca Water Works, Inc. and making certain improvements thereto (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2015, and a Supplemental Resolution duly adopted by the Issuer on _____, 2015 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides

for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; AND (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000 AND WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 25, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $250,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2015 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2015 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2015 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

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

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2015 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2015.

_____

_____, 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 said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement. The Series 2015 A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairperson is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Resolution.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and undertaking of the Project, the Issuer will file with the Authority and the Council a schedule, 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

## 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 Prior Resolutions);

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

(3) Series 2015 A Bonds Project Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2015 A Bonds Sinking Fund; and

(2) Series 2015 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund; (i) remit the interest payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of interest of the Series 2015 A Bonds, remit to the Commission for deposit in the Series 2015 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and become due on the Series 2015 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2015 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the principal payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2015 A Bonds, remit to the Commission for deposit in the Series 2015 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2015 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 2015 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.

(4) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the reserve account payments to the Reserve Accounts of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2015 A Bonds, if not fully funded upon issuance of the Series 2015 A Bonds, remit to the Commission for deposit in the Series 2015 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2015 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2015 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2015 A Bonds Reserve Requirement.

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

Moneys in the Series 2015 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2015 A Bonds as the same shall become due. Moneys in the Series 2015 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2015 A Bonds as the same shall come due, when other moneys in the Series 2015 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2015 A Bonds Reserve Account (if fully funded) shall be transferred, not less than once each year, to the Series 2015 A Bonds Project Trust Fund during the acquisition and undertaking of the Project and following completion of the Project to the Revenue Fund and applied in full, first to the next ensuing

interest payment, if any, due on the Series 2015 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2015 A Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2015 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2015 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2015 A Bonds Sinking Fund or the Series 2015 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2015 A Bonds then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal 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 2015 A Bonds and the Prior 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 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates hereunder.

Moneys in the Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2015 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 interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent, or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay the charges and the fees then due. The Issuer shall make the necessary arrangements whereby payments to the Commission under this paragraph shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03A hereof, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the Reserve Accounts have not, as of such date, funded such account to the requirement therefor.

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

## ARTICLE VI

## APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2015 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2015 A Bonds, there shall first be deposited with the Commission in the Series 2015 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 2015 A Bonds for the period commencing on the date of issuance of the Series 2015 A Bonds and ending 6 months after the estimated date of completion of acquisition and undertaking of the Project.

B. Next, from the proceeds of the Series 2015 A Bonds, there shall be deposited with the Commission in the Series 2015 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2015 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2015 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2015 A Bonds Project Trust Fund and applied solely to payment of the 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 2015 A Bonds.

D. After completion of the acquisition and undertaking of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2015 A Bonds shall be expended as directed by the Council.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2015 A Bonds Project 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, moneys in the Series 2015 A Bonds Project 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 2015 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2015 A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2015 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 the Series 2015 A Bonds, or the interest thereon, are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2015 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Registered Owner of the Series 2015 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2015 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2015 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners 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 2015 A Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in this Resolution and the Prior Resolutions.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the PSC Order and such rates are hereby adopted.

So long as the Series 2015 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 this Resolution and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2015 A Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner

authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the System may not be sold, transferred, mortgaged, leased or otherwise disposed of, except in accordance with the terms of the Prior Resolutions. So long as the Series 2015 A Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay or redeem at or prior to maturity all the Bonds Outstanding, or to effectively defease this Resolution in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2015 A Bonds, immediately be remitted to the Commission for deposit in the Series 2015 A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2015 A Bonds. Any balance remaining after the payment of the Series 2015 A Bonds and interest thereon, if any, shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall, upon receipt of approval of the Registered Owners, if needed, be remitted by the Issuer to the Commission for deposit in the appropriate Sinking Funds and shall be applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price, or, if not redeemable at par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other

amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay or redeem prior to maturity all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners 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. So long as the Series 2015 A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2015 A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolutions (so long as the Prior Bonds are Outstanding). All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2015 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolutions have been made and are current at the time of 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 liens of the Series 2015 A Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2015 A Bonds and the interest, if any, thereon in this Resolution, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued except in accordance with the terms of the Prior Resolutions. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Resolution, except under the conditions and in the manner provided herein and with the prior written consent of the Authority.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2015 A Bonds.

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

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three 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 three 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 PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, including the revenues from new customers to be served, 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 and approved by the PSC, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Bonds and the Registered Owners of any Parity Bonds 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 respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2015 A Bonds.

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

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 and undertaking 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 any and all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition and undertaking of the Project, the operation and maintenance of the System and the administration of the loan or any State and federal 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 times following completion of acquisition and undertaking 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 Registered Owner of the Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner 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 Authority and the Council and shall mail in each year to any Registered Owners of the 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 Resolution and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2015 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2015 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to issuance of the Series 2015 A Bonds, approvals of equitable rates or charges for the use of and service rendered by the System have been obtained 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 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 2015 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 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 2015 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2015 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 2015 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 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 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing 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 the Managing 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 Authority and the Council and to any Registered Owner of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the Council and any Registered Owner of any Bonds or anyone acting for and in behalf of such Registered Owner of any Bonds.

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

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

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council covering the supervision and inspection of the acquisition and undertaking of the Project.

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

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

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

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 PSC, 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 PSC, 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. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar

circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2015 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

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

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and undertaking of the Project, all orders and approvals from the PSC and the Council necessary for the acquisition and undertaking of the Project and the operation of the System and all approvals for issuance of the Series 2015 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [Reserved].

Section 7.19. Statutory Mortgage Lien. For the further protection of the Registered Owners of the Series 2015 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2015 A Bonds; provided however, that the statutory mortgage lien of the Series 2015 A Bonds shall be on a parity with the statutory mortgage lien of the Prior Bonds.

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

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

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2015 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition and undertaking 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 2015 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineers. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2015 A Bonds made available due to 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.

Section 7.22. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

## ARTICLE VIII

## INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as the Series 2015 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2015 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate 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 2015 A Bonds as a condition to issuance of the Series 2015 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 2015 A Bonds as may be necessary in order to maintain the status of the Series 2015 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 2015 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 2015 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 2015 A Bonds and any additional information requested by the Authority.

## ARTICLE IX

## DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2015 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2015 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 2015 A Bonds set forth in this Resolution, any Supplemental Resolution or in the Series 2015 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a Bond; or

(3) If a default occurs under the Prior Resolutions or the Prior Bonds; or

(4) 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 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2015 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, 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 the 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 undertaking of the Project, or both, 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 Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate and maintain, manage and control the System, 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 the System as the Issuer itself might do.

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

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

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

## ARTICLE X

## PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owner of the Series 2015 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2015 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to issuance of the Series 2015 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2015 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2015 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2015 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Resolution may be amended without the consent of any Registered Owner 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 2015 A Bonds from gross income of the Registered Owner thereof.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the Series 2015 A Bonds and no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution and the Series 2015 A Bonds.

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

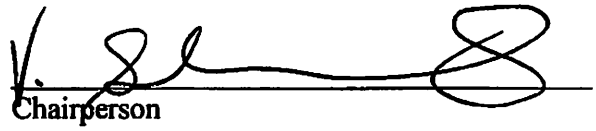
Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. Except for the Prior Resolutions, all orders or resolutions and parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between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

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

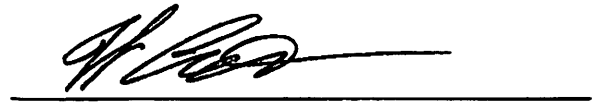
performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairperson, Secretary and members of the Governing Body were at all times when any actions in connection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

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

Adopted this 14th day of April, 2015.



Chairperson



Member



Member

CERTIFICATION

Certified as a true copy of a Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 14th day of April, 2015.

Dated this 16th day of April, 2015.

[SEAL]

Secretary

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2015 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

2.4

# BOND RESOLUTION

## Table of Contents

Page


ARTICLE I ..... 1

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS ..... 1

Section 1.01. Definitions ..... 1

Section 1.02. Authority for this Resolution ..... 9

Section 1.03. Findings ..... 9

Section 1.04. Resolution Constitutes Contract ..... 10

ARTICLE II ..... 11

AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT ..... 11

Section 2.01. Authorization of Acquisition and Undertaking of the Project ..... 11

ARTICLE III ..... 12

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT ..... 112

Section 3.01. Authorization of Bonds ..... 12

Section 3.02. Terms of Bonds ..... 12

Section 3.03. Execution of Bonds ..... 12

Section 3.04. Authentication and Registration ..... 13

Section 3.05. Negotiability, Transfer and Registration ..... 13

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost ..... 14

Section 3.07. Bonds not to be Indebtedness of the Issuer ..... 14

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds ..... 14

Section 3.09. Delivery of Bonds. ..... 14
Section 3.10. Form of Bonds ..... 14
Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement ..... 24
Section 3.12. Filing of Amended Schedule ..... 24

ARTICLE IV ..... 25
[RESERVED] ..... 25

ARTICLE V ..... 26
SYSTEM REVENUES AND APPLICATION THEREOF ..... 26
Section 5.01. Establishment of Funds and Accounts with Depository Bank ..... 26
Section 5.02. Establishment of Funds and Accounts with Commission ..... 26
Section 5.03. System Revenues; Flow of Funds ..... 26

ARTICLE VI ..... 30
APPLICATION OF BOND PROCEEDS ..... 30
Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds ..... 30
Section 6.02. Disbursements from Bond Project Trust Fund. ..... 30

ARTICLE VII ..... 32
ADDITIONAL COVENANTS OF THE ISSUER ..... 32
Section 7.01. General Covenants of the Issuer ..... 32
Section 7.02. Bonds not to be Indebtedness of the Issuer ..... 32
Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds ..... 32
Section 7.04. Initial Schedule of Rates and Charges ..... 32
Section 7.05. Sale of the System ..... 33
Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances ..... 34
Section 7.07. Parity Bonds ..... 34
Section 7.08. Books; Records and Audit ..... 36

Section 7.09. Rates ..... 37
Section 7.10. Operating Budget and Monthly Financial Report ..... 38
Section 7.11. Engineering Services and Operating Personnel ..... 39
Section 7.12. No Competing Franchise ..... 39
Section 7.13. Enforcement of Collections ..... 39
Section 7.14. No Free Services ..... 39
Section 7.15. Insurance and Construction Bonds ..... 40
Section 7.16. Connections ..... 41
Section 7.17. Completion and Operation of Project; Permits and Orders ..... 41
Section 7.18. [Reserved] ..... 41
Section 7.19. Statutory Mortgage Lien ..... 41
Section 7.20. Compliance with Loan Agreement and Law ..... 41
Section 7.21. Contracts; Public Releases ..... 412
Section 7.22. Securities Law Compliance ..... 42

ARTICLE VIII ..... 43
INVESTMENT OF FUNDS ..... 43
Section 8.01. Investment of Funds ..... 413
Section 8.02. Certificate as to Use of Proceeds ..... 43

ARTICLE IX ..... 45
DEFAULT AND REMEDIES ..... 45
Section 9.01. Events of Default ..... 45
Section 9.02. Remedies ..... 45
Section 9.03. Appointment of Receiver ..... 45

ARTICLE X ..... 47
PAYMENT OF BONDS ..... 47
Section 10.01. Payment of Bonds ..... 47

ARTICLE XI ..... 48
MISCELLANEOUS ..... 48

Section 11.01. Amendment or Modification of Resolution ..... 48
Section 11.02. Resolution Constitutes Contract ..... 48
Section 11.03. Severability of Invalid Provisions ..... 48
Section 11.04. Headings, Etc ..... 48
Section 11.05. Conflicting Provisions Repealed; Prior Resolutions ..... 48
Section 11.06. Covenant of Due Procedure, Etc ..... 48
Section 11.07. Effective Date ..... 50

Exhibit A - Project Description ..... 52

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2015 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

2.5

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO SUCH BONDS; 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 Eastern Wyoming Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on April 14, 2015 (the "Resolution"), entitled:

CERTAIN IMPROVEMENTS TO THE WATER SYSTEM OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $315,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount not to exceed $315,000 (the "Bonds" or the "Series 2015 A Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 2015 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between

the Issuer and the West Virginia Water Development Authority ("the Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be therein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF EASTERN WYOMING 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 Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the original principal amount of $315,000. The Series 2015 A Bonds shall be dated the date of delivery, shall finally mature March 1, 2055 and shall bear interest at the rate of one percent 1% per annum. The principal of and interest on the Series 2015 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2017, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2015 A Bonds. The Series 2015 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2015 A Bonds.

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

Section 3. The Issuer hereby authorizes, approves, ratifies and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairperson and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that

the proceeds of the Series 2015 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer hereby appoints and designates First Peoples Bank, Mullens, West Virginia, to serve as the Depository Bank under the Resolution.

Section 7. Series 2015 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2015 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2015 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2015 A Bonds Reserve Account.

Section 9. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about April 16, 2015.

Section 10. The acquisition and undertaking of the Project, and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing and acquisition of the Project, and the Chairperson is hereby authorized and directed to execute and deliver all such contracts.

Section 13. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 14. The Issuer hereby authorizes the sweeping of its account by the Municipal Bond Commission to the Series 2015 A Bonds Sinking Fund for the Series 2015 A Bonds Reserve Account.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 14th day of April, 2015.

Chairperson

Member

Member

## CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 14th day of April, 2015.

Dated this 16th day of April, 2015.

[SEAL]

Secretary

NUMBER
AR-1



SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2015 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $315,000

KNOW ALL MEN BY THESE PRESENTS: That on 16th day of April, 2015, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming 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 THREE HUNDRED FIFTEEN THOUSAND DOLLARS ($315,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2017, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of one percent 1% per annum. Principal installments of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of 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 April 16, 2015.

This Bond is issued (i) to pay the costs of acquisition, construction and extending the water system to Barkers Ridge area (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water 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

NUMBER AR-1

SPECIMEN

Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on April 14, 2015, and a Supplemental Resolution duly adopted by the Issuer on April 14, 2015 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000, AND (5) WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED MARCH 25, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $250,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2015 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2015 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2015 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of

SPECIMEN

which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

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

[SEAL]

SPECIMEN
Chairperson

ATTEST:

SPECIMEN
Secretary

NUMBER
AR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2015 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: April 16, 2015.

UNITED BANK, INC.,
as Registrar

SPECIMEN

Michelle R. Y. Wittekind

Authorized Officer

NUMBER
AR-1

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $160,615.97 | April 16, 2015 | (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 $

NUMBER
AR-1

# EXHIBIT B

## DEBT SERVICE SCHEDULE

Bond Debt Service
Eastern Wyoming PSD
IF
$315,000
1% Interest Rate
40 Years from Closing Date
Dated Date 4/16/2015
Delivery Date 4/16/2015

SPECIMEN

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 3/1/2017 | 1,693 | 1.000% | 787.50 | 2,480.50 |
| 6/1/2017 | 1,697 | 1.000% | 783.27 | 2,480.27 |
| 9/1/2017 | 1,701 | 1.000% | 779.03 | 2,480.03 |
| 12/1/2017 | 1,705 | 1.000% | 774.77 | 2,479.77 |
| 3/1/2018 | 1,710 | 1.000% | 770.51 | 2,480.51 |
| 6/1/2018 | 1,714 | 1.000% | 766.24 | 2,480.24 |
| 9/1/2018 | 1,718 | 1.000% | 761.95 | 2,479.95 |
| 12/1/2018 | 1,723 | 1.000% | 757.66 | 2,480.66 |
| 3/1/2019 | 1,727 | 1.000% | 753.35 | 2,480.35 |
| 6/1/2019 | 1,731 | 1.000% | 749.03 | 2,480.03 |
| 9/1/2019 | 1,735 | 1.000% | 744.70 | 2,479.70 |
| 12/1/2019 | 1,740 | 1.000% | 740.37 | 2,480.37 |
| 3/1/2020 | 1,744 | 1.000% | 736.02 | 2,480.02 |
| 6/1/2020 | 1,749 | 1.000% | 731.66 | 2,480.66 |
| 9/1/2020 | 1,753 | 1.000% | 727.28 | 2,480.28 |
| 12/1/2020 | 1,757 | 1.000% | 722.90 | 2,479.90 |
| 3/1/2021 | 1,762 | 1.000% | 718.51 | 2,480.51 |
| 6/1/2021 | 1,766 | 1.000% | 714.10 | 2,480.10 |
| 9/1/2021 | 1,770 | 1.000% | 709.69 | 2,479.69 |
| 12/1/2021 | 1,775 | 1.000% | 705.26 | 2,480.26 |
| 3/1/2022 | 1,779 | 1.000% | 700.83 | 2,479.83 |
| 6/1/2022 | 1,784 | 1.000% | 696.38 | 2,480.38 |
| 9/1/2022 | 1,788 | 1.000% | 691.92 | 2,479.92 |
| 12/1/2022 | 1,793 | 1.000% | 687.45 | 2,480.45 |
| 3/1/2023 | 1,797 | 1.000% | 682.97 | 2,479.97 |
| 6/1/2023 | 1,802 | 1.000% | 678.47 | 2,480.47 |
| 9/1/2023 | 1,806 | 1.000% | 673.97 | 2,479.97 |
| 12/1/2023 | 1,811 | 1.000% | 669.45 | 2,480.45 |
| 3/1/2024 | 1,815 | 1.000% | 664.93 | 2,479.93 |
| 6/1/2024 | 1,820 | 1.000% | 660.39 | 2,480.39 |
| 9/1/2024 | 1,824 | 1.000% | 655.84 | 2,479.84 |
| 12/1/2024 | 1,829 | 1.000% | 651.28 | 2,480.28 |
| 3/1/2025 | 1,833 | 1.000% | 646.71 | 2,479.71 |
| 6/1/2025 | 1,838 | 1.000% | 642.12 | 2,480.12 |
| 9/1/2025 | 1,843 | 1.000% | 637.53 | 2,480.53 |
| 12/1/2025 | 1,847 | 1.000% | 632.92 | 2,479.92 |
| 3/1/2026 | 1,852 | 1.000% | 628.30 | 2,480.30 |
| 6/1/2026 | 1,856 | 1.000% | 623.67 | 2,479.67 |
| 9/1/2026 | 1,861 | 1.000% | 619.03 | 2,480.03 |
| 12/1/2026 | 1,866 | 1.000% | 614.38 | 2,480.38 |
| 3/1/2027 | 1,870 | 1.000% | 609.72 | 2,479.72 |
| 6/1/2027 | 1,875 | 1.000% | 605.04 | 2,480.04 |
| 9/1/2027 | 1,880 | 1.000% | 600.35 | 2,480.35 |

NUMBER
AR-1

Bond Debt Service
Eastern Wyoming PSD
$315,000
1% Interest Rate
40 Years from Closing Date

SPECIMEN

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 12/1/2027 | 1,885 | 1.000% | 595.65 | 2,480.65 |
| 3/1/2028 | 1,889 | 1.000% | 590.94 | 2,479.94 |
| 6/1/2028 | 1,894 | 1.000% | 586.22 | 2,480.22 |
| 9/1/2028 | 1,899 | 1.000% | 581.48 | 2,480.48 |
| 12/1/2028 | 1,903 | 1.000% | 576.74 | 2,479.74 |
| 3/1/2029 | 1,908 | 1.000% | 571.98 | 2,479.98 |
| 6/1/2029 | 1,913 | 1.000% | 567.21 | 2,480.21 |
| 9/1/2029 | 1,918 | 1.000% | 562.43 | 2,480.43 |
| 12/1/2029 | 1,923 | 1.000% | 557.63 | 2,480.63 |
| 3/1/2030 | 1,927 | 1.000% | 552.82 | 2,479.82 |
| 6/1/2030 | 1,932 | 1.000% | 548.01 | 2,480.01 |
| 9/1/2030 | 1,937 | 1.000% | 543.18 | 2,480.18 |
| 12/1/2030 | 1,942 | 1.000% | 538.33 | 2,480.33 |
| 3/1/2031 | 1,947 | 1.000% | 533.48 | 2,480.48 |
| 6/1/2031 | 1,952 | 1.000% | 528.61 | 2,480.61 |
| 9/1/2031 | 1,956 | 1.000% | 523.73 | 2,479.73 |
| 12/1/2031 | 1,961 | 1.000% | 518.84 | 2,479.84 |
| 3/1/2032 | 1,966 | 1.000% | 513.94 | 2,479.94 |
| 6/1/2032 | 1,971 | 1.000% | 509.02 | 2,480.02 |
| 9/1/2032 | 1,976 | 1.000% | 504.10 | 2,480.10 |
| 12/1/2032 | 1,981 | 1.000% | 499.16 | 2,480.16 |
| 3/1/2033 | 1,986 | 1.000% | 494.20 | 2,480.20 |
| 6/1/2033 | 1,991 | 1.000% | 489.24 | 2,480.24 |
| 9/1/2033 | 1,996 | 1.000% | 484.26 | 2,480.26 |
| 12/1/2033 | 2,001 | 1.000% | 479.27 | 2,480.27 |
| 3/1/2034 | 2,006 | 1.000% | 474.27 | 2,480.27 |
| 6/1/2034 | 2,011 | 1.000% | 469.25 | 2,480.25 |
| 9/1/2034 | 2,016 | 1.000% | 464.23 | 2,480.23 |
| 12/1/2034 | 2,021 | 1.000% | 459.19 | 2,480.19 |
| 3/1/2035 | 2,026 | 1.000% | 454.13 | 2,480.13 |
| 6/1/2035 | 2,031 | 1.000% | 449.07 | 2,480.07 |
| 9/1/2035 | 2,036 | 1.000% | 443.99 | 2,479.99 |
| 12/1/2035 | 2,041 | 1.000% | 438.90 | 2,479.90 |
| 3/1/2036 | 2,046 | 1.000% | 433.80 | 2,479.80 |
| 6/1/2036 | 2,051 | 1.000% | 428.68 | 2,479.68 |
| 9/1/2036 | 2,057 | 1.000% | 423.56 | 2,480.56 |
| 12/1/2036 | 2,062 | 1.000% | 418.41 | 2,480.41 |
| 3/1/2037 | 2,067 | 1.000% | 413.26 | 2,480.26 |
| 6/1/2037 | 2,072 | 1.000% | 408.09 | 2,480.09 |
| 9/1/2037 | 2,077 | 1.000% | 402.91 | 2,479.91 |
| 12/1/2037 | 2,082 | 1.000% | 397.72 | 2,479.72 |
| 3/1/2038 | 2,088 | 1.000% | 392.51 | 2,480.51 |
| 6/1/2038 | 2,093 | 1.000% | 387.29 | 2,480.29 |
| 9/1/2038 | 2,098 | 1.000% | 382.06 | 2,480.06 |
| 12/1/2038 | 2,103 | 1.000% | 376.82 | 2,479.82 |
| 3/1/2039 | 2,109 | 1.000% | 371.56 | 2,480.56 |
| 6/1/2039 | 2,114 | 1.000% | 366.29 | 2,480.29 |

NUMBER
AR-1

Bond Debt Service
Eastern Wyoming PSD
$315,000
1% Interest Rate
40 Years from Closing Date

SPECIMEN

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 9/1/2039 | 2,119 | 1.000% | 361.00 | 2,480.00 |
| 12/1/2039 | 2,124 | 1.000% | 355.70 | 2,479.70 |
| 3/1/2040 | 2,130 | 1.000% | 350.39 | 2,480.39 |
| 6/1/2040 | 2,135 | 1.000% | 345.07 | 2,480.07 |
| 9/1/2040 | 2,140 | 1.000% | 339.73 | 2,479.73 |
| 12/1/2040 | 2,146 | 1.000% | 334.38 | 2,480.38 |
| 3/1/2041 | 2,151 | 1.000% | 329.02 | 2,480.02 |
| 6/1/2041 | 2,157 | 1.000% | 323.64 | 2,480.64 |
| 9/1/2041 | 2,162 | 1.000% | 318.25 | 2,480.25 |
| 12/1/2041 | 2,167 | 1.000% | 312.84 | 2,479.84 |
| 3/1/2042 | 2,173 | 1.000% | 307.42 | 2,480.42 |
| 6/1/2042 | 2,178 | 1.000% | 301.99 | 2,479.99 |
| 9/1/2042 | 2,184 | 1.000% | 296.55 | 2,480.55 |
| 12/1/2042 | 2,189 | 1.000% | 291.09 | 2,480.09 |
| 3/1/2043 | 2,195 | 1.000% | 285.61 | 2,480.61 |
| 6/1/2043 | 2,200 | 1.000% | 280.13 | 2,480.13 |
| 9/1/2043 | 2,206 | 1.000% | 274.63 | 2,480.63 |
| 12/1/2043 | 2,211 | 1.000% | 269.11 | 2,480.11 |
| 3/1/2044 | 2,217 | 1.000% | 263.58 | 2,480.58 |
| 6/1/2044 | 2,222 | 1.000% | 258.04 | 2,480.04 |
| 9/1/2044 | 2,228 | 1.000% | 252.49 | 2,480.49 |
| 12/1/2044 | 2,233 | 1.000% | 246.92 | 2,479.92 |
| 3/1/2045 | 2,239 | 1.000% | 241.33 | 2,480.33 |
| 6/1/2045 | 2,244 | 1.000% | 235.74 | 2,479.74 |
| 9/1/2045 | 2,250 | 1.000% | 230.13 | 2,480.13 |
| 12/1/2045 | 2,256 | 1.000% | 224.50 | 2,480.50 |
| 3/1/2046 | 2,261 | 1.000% | 218.86 | 2,479.86 |
| 6/1/2046 | 2,267 | 1.000% | 213.21 | 2,480.21 |
| 9/1/2046 | 2,273 | 1.000% | 207.54 | 2,480.54 |
| 12/1/2046 | 2,278 | 1.000% | 201.86 | 2,479.86 |
| 3/1/2047 | 2,284 | 1.000% | 196.16 | 2,480.16 |
| 6/1/2047 | 2,290 | 1.000% | 190.45 | 2,480.45 |
| 9/1/2047 | 2,295 | 1.000% | 184.73 | 2,479.73 |
| 12/1/2047 | 2,301 | 1.000% | 178.99 | 2,479.99 |
| 3/1/2048 | 2,307 | 1.000% | 173.24 | 2,480.24 |
| 6/1/2048 | 2,313 | 1.000% | 167.47 | 2,480.47 |
| 9/1/2048 | 2,318 | 1.000% | 161.69 | 2,479.69 |
| 12/1/2048 | 2,324 | 1.000% | 155.89 | 2,479.89 |
| 3/1/2049 | 2,330 | 1.000% | 150.08 | 2,480.08 |
| 6/1/2049 | 2,336 | 1.000% | 144.26 | 2,480.26 |
| 9/1/2049 | 2,342 | 1.000% | 138.42 | 2,480.42 |
| 12/1/2049 | 2,348 | 1.000% | 132.56 | 2,480.56 |
| 3/1/2050 | 2,353 | 1.000% | 126.69 | 2,479.69 |
| 6/1/2050 | 2,359 | 1.000% | 120.81 | 2,479.81 |
| 9/1/2050 | 2,365 | 1.000% | 114.91 | 2,479.91 |
| 12/1/2050 | 2,371 | 1.000% | 109.00 | 2,480.00 |
| 3/1/2051 | 2,377 | 1.000% | 103.07 | 2,480.07 |

NUMBER
AR-1

Bond Debt Service
Eastern Wyoming PSD
IF
$315,000
1% Interest Rate
40 Years from Closing Date

SPECIMEN

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 6/1/2051 | 2,383 | 1.000% | 97.13 | 2,480.13 |
| 9/1/2051 | 2,389 | 1.000% | 91.17 | 2,480.17 |
| 12/1/2051 | 2,395 | 1.000% | 85.20 | 2,480.20 |
| 3/1/2052 | 2,401 | 1.000% | 79.21 | 2,480.21 |
| 6/1/2052 | 2,407 | 1.000% | 73.21 | 2,480.21 |
| 9/1/2052 | 2,413 | 1.000% | 67.19 | 2,480.19 |
| 12/1/2052 | 2,419 | 1.000% | 61.16 | 2,480.16 |
| 3/1/2053 | 2,425 | 1.000% | 55.11 | 2,480.11 |
| 6/1/2053 | 2,431 | 1.000% | 49.05 | 2,480.05 |
| 9/1/2053 | 2,437 | 1.000% | 42.97 | 2,479.97 |
| 12/1/2053 | 2,443 | 1.000% | 36.88 | 2,479.88 |
| 3/1/2054 | 2,449 | 1.000% | 30.77 | 2,479.77 |
| 6/1/2054 | 2,456 | 1.000% | 24.65 | 2,480.65 |
| 9/1/2054 | 2,462 | 1.000% | 18.51 | 2,480.51 |
| 12/1/2054 | 2,468 | 1.000% | 12.36 | 2,480.36 |
| 3/1/2055 | 2,474 | 1.000% | 6.19 | 2,480.19 |
| | 315,000 | | 64,463.84 | 379,463.84 |

NUMBER
AR-1

(Form of)

SPECIMEN

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUIRING, CONSTRUCTION, AND EXTENSION AND IMPROVEMENTS TO THE WATER SYSTEM OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 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 EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2016 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 2016 A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2016 A Bonds in substantially the form set forth in Section 3.10 hereof.

"Chairperson" means the Chairperson of the Governing Body of the Issuer or any temporary Acting Chairperson duly elected by the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Series 2016 A Bonds for all or a portion of the proceeds of the Series 2016 A Bonds.

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

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

"Consulting Engineers" means E. L. Robinson Engineering Co., Charleston, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03E hereof to be a part of the cost of acquisition and undertaking of the Project.

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

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

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

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

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

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

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

"Investment Property" means

(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 Eastern Wyoming Public Service District, a public service district, public corporation and political subdivision of the State in Wyoming County and includes the Governing Body.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2016 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2016 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2016 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 2016 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, as hereinafter defined and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

provided in Article X hereof; and (iv) for purposes of consents, notices or other action by a specified percentage of Registered Owners, any Bonds registered to the Issuer.

"Parity Bonds" means additional Parity 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 2016 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's (i) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000; (ii) Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000; (iii) Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000; (iv) Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original aggregate principal amount of $1,000,000; (v) Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original aggregate principal amount of $250,000; and (vi) Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), dated April 16, 2015, issued in the original aggregate principal amount of $315,000.

"Prior Resolutions" means, collectively, the resolutions of the Issuer adopted October 10, 2001, August 23, 2004, January 10, 2006, October 13, 2009, March 11, 2014, and April 14, 2015 authorizing the Prior Bonds.

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

"Project" means the acquisition, construction, and extension of the water system in the western portion of the city of Mullens to service the unincorporated areas of Otsego, Pierpoint and Maben in Wyoming County.

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

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to acquire and undertake the Project and approving the financing for the Project and the rates of the System.

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

(a) Government Obligations;

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

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

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

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

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

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

(h) Advance-Refunded Municipal Bonds.

"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.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts of the Series 2016 A Bonds and the Prior Bonds.

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

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

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

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

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000.

"Series 2004 A Bonds" means the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000.

"Series 2006 A Bonds" means the Issuer's Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000.

"Series 2009 A Bonds" means the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original principal amount of $1,000,000.

"Series 2014 A Bonds" means the Water Reserve Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original principal amount of $250,000.

"Series 2015 A Bonds" means the Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), dated April 16, 2016, issued in the original principal amount of $315,000.

"Series 2016 A Bonds" means the Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2016 A Bonds Project Trust Fund" means the Series 2016 A Bonds Project Trust Fund established by Section 5.01 hereof.

"Series 2016 A Bonds Reserve Account" means the Series 2016 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2016 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2016 A Bonds in the then current or any succeeding year.

"Series 2016 A Bonds Sinking Fund" means the Series 2016 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds of the Series 2016 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer amendatory hereof or supplemental hereto and when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2016 A Bonds; provided, that any provisions intended by this Resolution to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Series 2016 A Bonds and the Prior Bonds, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and the Sinking Funds.

"System" means the complete public service properties of the Issuer for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

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

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

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

importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairperson or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairperson or Acting Secretary.

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

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

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

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

A. The Issuer is a public service district, public corporation and political subdivision of the State in Wyoming County of said State. The Issuer presently owns and operates a public water system in Wyoming County. However, the Issuer deems it necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and undertaken the Project.

B. The Issuer intends to permanently finance the costs of acquisition and undertaking of the Project through the issuance of its revenue bonds to the Authority.

C. The estimated maximum cost of acquisition and undertaking of the Project is $8,660,573.82, of which $1,278,826 will be obtained from the Series 2016 A Bonds; $5,881,747.82 will be from the Abandoned Mine Lands Grant; and $1,500,000 from the Small Cities Block Grant.

D. The estimated revenues to be derived in each year after acquisition and undertaking of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2016 A Bonds and to make payments into all funds and accounts provided for in this Resolution and the Prior Resolutions.

E. It is deemed necessary for the Issuer to issue the Series 2016 A Bonds in the aggregate principal amount of not more than $1,500,000, to permanently finance the costs of acquisition and undertaking of the Project. Such costs shall be deemed to include the cost of acquisition of any public service properties, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 2016 A Bonds prior to and during acquisition and for six months after completion of acquisition and undertaking of the Project; 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 and such other expenses as

may be necessary or incident to the financing herein authorized, the acquisition and undertaking of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

F. The Series 2016 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 2016 A Bonds, the Issuer will obtain (1) the certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; (2) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2016 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.

G. The period of usefulness of the System after acquisition and undertaking of the Project is not less than 40 years.

H. It is in the best interests of the Issuer that the Series 2016 A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, undertaking and operation of the Project and issuance of the Series 2016 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the Council and the obtaining of the PSC Order, the time for rehearing and appeal of which has expired or will have been waived prior to the issuance of the Series 2016 A Bonds.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2016 A Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such 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 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II

## AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT

Section 2.01. Authorization of Acquisition and Undertaking of the Project. There is hereby authorized and ordered the acquisition and undertaking of the Project, at an estimated cost of not to exceed $8,660,573.82. The proceeds of the Series 2016 A Bonds shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the acquisition and undertaking of the Project, which are in an amount and otherwise compatible with the financing plan submitted to the Council and the Authority.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the costs of the Project and paying the costs of issuance of the Series 2016 A Bonds and related costs, there shall be and hereby are authorized to be issued negotiable Series 2016 A Bonds of the Issuer. The Series 2016 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund)," in the aggregate principal amount of not more than $1,500,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2016 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2016 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, if any, on the Series 2016 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution or herein, the Series 2016 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2016 A Bonds. The Series 2016 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the Issuer by the Chairperson, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and

sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2016 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 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 Resolution. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2016 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide registered owner for value.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 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, register 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 Registered Owner's furnishing proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2016 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Registered Owner of such Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds. The payment of the debt service on the Series 2016 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2016 A Bonds and the Prior Bonds and to make payments into all funds and accounts hereinafter established and established in the Prior Resolutions, 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 2016 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2016 A Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate, register and deliver the Series 2016 A Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of the Series 2016 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2016 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-___ $ 1,278,826

KNOW ALL MEN BY THESE PRESENTS: That on this 16th day of March, 2016, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming 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 TWO HUNDRED SEVENTY EIGHT THOUSAND EIGHT HUNDRED TWENTY-SIX DOLLARS ($1,278,826), 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,_____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of one percent (1%) per annum. Principal installments and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of 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 16, 2016.

This Bond is issued (i) to pay the costs of acquisition, construction, and extension of the water system (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on March 8, 2016, and a Supplemental Resolution duly adopted by the Issuer on March 8, 2016 (collectively, the "Resolution"), and is subject to all the terms and

conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000; (5) WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 25, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $250,000; AND (6) WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED APRIL 16, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2016 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2016 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2016 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

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

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2016 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2016.

_____

_____, 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 said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement. The Series 2016 A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairperson is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Resolution.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and undertaking of the Project, the Issuer will file with the Authority and the Council a schedule, 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

## 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 Prior Resolutions);

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

(3) Series 2016 A Bonds Project Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2016 A Bonds Sinking Fund; and

(2) Series 2016 A Bonds Reserve Account.

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

The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund; (i) remit the interest payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of interest of the Series 2016 A Bonds, remit to the Commission for deposit in the Series 2016 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and become due on the Series 2016 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the principal payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2016 A Bonds, remit to the Commission for deposit in the Series 2016 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2016 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 2016 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.

(4) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the reserve account payments to the Reserve Accounts of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2016 A Bonds, if not fully funded upon issuance of the Series 2016 A Bonds, remit to the Commission for deposit in the Series 2016 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2016 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2016 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all

other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2016 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2016 A Bonds as the same shall become due. Moneys in the Series 2016 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2016 A Bonds as the same shall come due, when other moneys in the Series 2016 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2016 A Bonds Reserve Account (if fully funded) shall be transferred, not less than once each year, to the Series 2016 A Bonds Project Trust Fund during the acquisition and undertaking of the Project and following completion of the Project to the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2016 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2016 A Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2016 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2016 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2016 A Bonds Sinking Fund or the Series 2016 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2016 A Bonds then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal 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 2016 A Bonds and the Prior 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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the

Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates hereunder.

Moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2016 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 interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent, or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay the charges and the fees then due. The Issuer shall make the necessary arrangements whereby payments to the Commission under this paragraph shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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, that

all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03A hereof, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the Reserve Accounts have not, as of such date, funded such account to the requirement therefor.

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

## ARTICLE VI

## APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2016 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2016 A Bonds, there shall first be deposited with the Commission in the Series 2016 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 2016 A Bonds for the period commencing on the date of issuance of the Series 2016 A Bonds and ending 6 months after the estimated date of completion of acquisition and undertaking of the Project.

B. Next, from the proceeds of the Series 2016 A Bonds, there shall be deposited with the Commission in the Series 2016 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2016 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2016 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2016 A Bonds Project Trust Fund and applied solely to payment of the 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 2016 A Bonds.

D. After completion of the acquisition and undertaking of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2016 A Bonds shall be expended as directed by the Council.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2016 A Bonds Project 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, moneys in the Series 2016 A Bonds Project 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 2016 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

## ARTICLE VII

## ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2016 A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2016 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 the Series 2016 A Bonds, or the interest thereon, are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2016 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Registered Owner of the Series 2016 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2016 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2016 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners 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 2016 A Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in this Resolution and the Prior Resolutions.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the PSC Order and such rates are hereby adopted.

So long as the Series 2016 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 this Resolution and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the System may not be sold, transferred, mortgaged, leased or otherwise disposed of, except in accordance with the terms of the Prior Resolutions. So long as the Series 2016 A Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay or redeem at or prior to maturity all the Bonds Outstanding, or to effectively defease this Resolution in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2016 A Bonds, immediately be remitted to the Commission for deposit in the Series 2016 A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2016 A Bonds. Any balance remaining after the payment of the Series 2016 A Bonds and interest thereon, if any, shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received

during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall, upon receipt of approval of the Registered Owners, if needed, be remitted by the Issuer to the Commission for deposit in the appropriate Sinking Funds and shall be applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price, or, if not redeemable at par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay or redeem prior to maturity all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners 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. So long as the Series 2016 A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2016 A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolutions (so long as the Prior Bonds are Outstanding). All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2016 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolutions have been made and are current at the time of 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 liens of the Series 2016 A Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2016

A Bonds and the interest, if any, thereon in this Resolution, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued except in accordance with the terms of the Prior Resolutions. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Resolution, except under the conditions and in the manner provided herein and with the prior written consent of the Authority.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2016 A Bonds.

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

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three 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 three 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 PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, including the revenues from new customers to be served, 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 and approved by the PSC, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Bonds and the Registered Owners of any Parity Bonds 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 respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2016 A Bonds.

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

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 and undertaking 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 any and all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition and undertaking of the Project, the operation and maintenance of the System and the administration of the loan or any State and federal 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 times following completion of acquisition and undertaking 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 Registered Owner of the Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner 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 Authority and the Council and shall mail in each year to any Registered Owners of the 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 Resolution and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2016 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2016 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to issuance of the Series 2016 A Bonds, approvals of equitable rates or charges for the use of and service rendered by the System have been obtained 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 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 2016 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 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 2016 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2016 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 2016 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 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 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year

in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing 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 the Managing 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 Authority and the Council and to any Registered Owner of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the Council and any Registered Owner of any Bonds or anyone acting for and in behalf of such Registered Owner of any Bonds.

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

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

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council covering the supervision and inspection of the acquisition and undertaking of the Project.

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

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

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

charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State.

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 PSC, 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 PSC, 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. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2016 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and undertaking of the Project, all orders and approvals from the PSC and the Council necessary for the acquisition and undertaking of the Project and the operation of the System and all approvals for issuance of the Series 2016 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [Reserved].

Section 7.19. Statutory Mortgage Lien. For the further protection of the Registered Owners of the Series 2016 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2016 A Bonds; provided however, that the statutory mortgage lien of the Series 2016 A Bonds shall be on a parity with the statutory mortgage lien of the Prior Bonds.

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

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

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2016 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition and undertaking 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 2016 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineers. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2016 A Bonds made available due to 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.

Section 7.22. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

## ARTICLE VIII

## INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as the Series 2016 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2016 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate 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 2016 A Bonds as a condition to issuance of the Series 2016 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 2016 A Bonds as may be necessary in order to maintain the status of the Series 2016 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 2016 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 2016 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 2016 A Bonds and any additional information requested by the Authority.

## ARTICLE IX

## DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2016 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2016 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 2016 A Bonds set forth in this Resolution, any Supplemental Resolution or in the Series 2016 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a Bond; or

(3) If a default occurs under the Prior Resolutions or the Prior Bonds; or

(4) 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 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2016 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, 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 the 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 undertaking of the Project, or both, 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 Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate and maintain, manage and control the System, 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 the System as the Issuer itself might do.

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

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

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

requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

## ARTICLE X

## PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owner of the Series 2016 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2016 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to issuance of the Series 2016 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2016 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2016 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2016 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Resolution may be amended without the consent of any Registered Owner 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 2016 A Bonds from gross income of the Registered Owner thereof.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the Series 2016 A Bonds and no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent

jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution and the Series 2016 A Bonds.

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

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

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

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

Adopted this 8th day of March, 2016.

_____
Chairperson

_____
Member

_____
Member

## CERTIFICATION

Certified as a true copy of a Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 8th day of March, 2016.

Dated this 16th day of March, 2016.

[SEAL]

Secretary

## Exhibit A

## Project Description

Upgrade water lines in the western portion of City of Mullens to extend water service to unincorporated areas of Otsego, Pierpoint and Maben in Wyoming County.

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2016 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

Table of Contents


Page

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS ..... 1

Section 1.01. Definitions ..... 1

Section 1.02. Authority for this Resolution ..... 9

Section 1.03. Findings ..... 9

Section 1.04. Resolution Constitutes Contract ..... 10

ARTICLE II

AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT ..... 10

Section 2.01. Authorization of Acquisition and Undertaking of the Project ..... 10

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT ..... 11

Section 3.01. Authorization of Bonds ..... 11

Section 3.02. Terms of Bonds ..... 11

Section 3.03. Execution of Bonds ..... 11

Section 3.04. Authentication and Registration ..... 12

Section 3.05. Negotiability, Transfer and Registration ..... 12

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost ..... 13

Section 3.07. Bonds not to be Indebtedness of the Issuer ..... 13

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds ..... 13

Section 3.09. Delivery of Bonds. ..... 13
Section 3.10. Form of Bonds ..... 13
Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement ..... 22
Section 3.12. Filing of Amended Schedule ..... 22

ARTICLE IV
[RESERVED] ..... 22

ARTICLE V
SYSTEM REVENUES AND APPLICATION THEREOF ..... 22
Section 5.01. Establishment of Funds and Accounts with Depository Bank ..... 22
Section 5.02. Establishment of Funds and Accounts with Commission ..... 22
Section 5.03. System Revenues; Flow of Funds ..... 22

ARTICLE VI
APPLICATION OF BOND PROCEEDS ..... 26
Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds ..... 26
Section 6.02. Disbursements from Bond Project Trust Fund. ..... 26

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER ..... 27
Section 7.01. General Covenants of the Issuer ..... 27
Section 7.02. Bonds not to be Indebtedness of the Issuer ..... 27
Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds ..... 27
Section 7.04. Initial Schedule of Rates and Charges ..... 28
Section 7.05. Sale of the System ..... 28
Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances ..... 29
Section 7.07. Parity Bonds ..... 30
Section 7.08. Books; Records and Audit ..... 31

Section 7.09. Rates ..... 33
Section 7.10. Operating Budget and Monthly Financial Report ..... 33
Section 7.11. Engineering Services and Operating Personnel ..... 34
Section 7.12. No Competing Franchise ..... 34
Section 7.13. Enforcement of Collections ..... 34
Section 7.14. No Free Services ..... 35
Section 7.15. Insurance and Construction Bonds ..... 35
Section 7.16. Connections ..... 36
Section 7.17. Completion and Operation of Project; Permits and Orders ..... 36
Section 7.18. [Reserved] ..... 36
Section 7.19. Statutory Mortgage Lien ..... 37
Section 7.20. Compliance with Loan Agreement and Law ..... 37
Section 7.21. Contracts; Public Releases ..... 37
Section 7.22. Securities Law Compliance ..... 37

ARTICLE VIII

INVESTMENT OF FUNDS ..... 38
Section 8.01. Investment of Funds ..... 38
Section 8.02. Certificate as to Use of Proceeds ..... 38

ARTICLE IX

DEFAULT AND REMEDIES ..... 39
Section 9.01. Events of Default ..... 39
Section 9.02. Remedies ..... 39
Section 9.03. Appointment of Receiver ..... 40

ARTICLE X

PAYMENT OF BONDS ..... 41
Section 10.01. Payment of Bonds ..... 41

ARTICLE XI

MISCELLANEOUS ..... 41

Section 11.01. Amendment or Modification of Resolution ..... 41
Section 11.02. Resolution Constitutes Contract ..... 41
Section 11.03. Severability of Invalid Provisions ..... 41
Section 11.04. Headings, Etc ..... 42
Section 11.05. Conflicting Provisions Repealed; Prior Resolutions ..... 42
Section 11.06. Covenant of Due Procedure, Etc ..... 42
Section 11.07. Effective Date ..... 43

CERTIFICATION ..... 44

Exhibit A - Project Description ..... 45

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2016 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

2.5

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO SUCH BONDS; 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 Eastern Wyoming Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on March 8, 2016 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUIRING, CONSTRUCTION, AND EXTENSION AND IMPROVEMENTS TO THE WATER SYSTEM OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount not to exceed $1,500,000 (the "Bonds" or the "Series 2016 A Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 2016 A Bonds,

including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority ("the Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be therein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF EASTERN WYOMING 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 Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the original principal amount of $1,278,826. The Series 2016 A Bonds shall be dated the date of delivery, shall finally mature March 1, 2056 and shall bear interest at the rate of one percent 1% per annum. The principal of and interest on the Series 2016 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2017, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2016 A Bonds. The Series 2016 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2016 A Bonds.

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

Section 3. The Issuer hereby authorizes, approves, ratifies and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairperson and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price

of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2016 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer hereby appoints and designates First Peoples Bank, Mullens, West Virginia, to serve as the Depository Bank under the Resolution.

Section 7. Series 2016 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2016 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2016 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2016 A Bonds Reserve Account.

Section 9. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about March 16, 2016.

Section 10. The acquisition and undertaking of the Project, and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing and acquisition of the Project, and the Chairperson is hereby authorized and directed to execute and deliver all such contracts.

Section 13. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 14. The Issuer hereby authorizes the sweeping of its account by the Municipal Bond Commission to the Series 2016 A Bonds Sinking Fund for the Series 2016 A Bonds Reserve Account.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 8th day of March, 2016.

Chairperson

Member

Member

## CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 8th day of March, 2016.

Dated this 16th day of March, 2016.

[SEAL]

Secretary

NUMBER
AR-1

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2016 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $1,278,826

KNOW ALL MEN BY THESE PRESENTS: That on 16th day of March, 2016, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming 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 TWO HUNDRED SEVENTY EIGHT THOUSAND EIGHT HUNDRED TWENTY-SIX DOLLARS ($1,278,826), 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, 2017, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of one percent 1% per annum. Principal installments of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of 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 16, 2016.

This Bond is issued (i) to pay the costs of acquisition, construction and extension the water system in the western portion of the city of Mullens to service the unincorporated areas of Otsego, Pierpoint and Maben in Wyoming County (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This

NUMBER AR-1

SPECIMEN

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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on March 8, 2016, and a Supplemental Resolution duly adopted by the Issuer on March 8, 2016 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000, (5) WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED MARCH 25, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $250,000; AND (6) WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED APRIL 16, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2016 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2016 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2016 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and

NUMBER AR-1

SPECIMEN

interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

NUMBER
AR-1

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

[SEAL]

Chairperson

SPECIMEN

ATTEST:

Secretary

SPECIMEN

NUMBER
AR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2016 A Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: March 16, 2016.

UNITED BANK, INC.,
as Registrar

SPECIMEN

Authorized Officer

NUMBER
AR-1

# SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $26,889.70 | March 16, 2016 | (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 $

NUMBER
AR-1

SPECIMEN

EXHIBIT B

# DEBT SERVICE SCHEDULE

Bond Debt Service
Eastern Wyoming PSD
IF
$1,278,826
1% Interest Rate
40 Years from Closing Date

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 12/1/2017 | 6,818 | 1.000% | 3,197.07 | 10,015.07 |
| 3/1/2018 | 6,835 | 1.000% | 3,180.02 | 10,015.02 |
| 6/1/2018 | 6,852 | 1.000% | 3,162.93 | 10,014.93 |
| 9/1/2018 | 6,869 | 1.000% | 3,145.80 | 10,014.80 |
| 12/1/2018 | 6,887 | 1.000% | 3,128.63 | 10,015.63 |
| 3/1/2019 | 6,904 | 1.000% | 3,111.41 | 10,015.41 |
| 6/1/2019 | 6,921 | 1.000% | 3,094.15 | 10,015.15 |
| 9/1/2019 | 6,938 | 1.000% | 3,076.85 | 10,014.85 |
| 12/1/2019 | 6,956 | 1.000% | 3,059.51 | 10,015.51 |
| 3/1/2020 | 6,973 | 1.000% | 3,042.12 | 10,015.12 |
| 6/1/2020 | 6,990 | 1.000% | 3,024.68 | 10,014.68 |
| 9/1/2020 | 7,008 | 1.000% | 3,007.21 | 10,015.21 |
| 12/1/2020 | 7,025 | 1.000% | 2,989.69 | 10,014.69 |
| 3/1/2021 | 7,043 | 1.000% | 2,972.13 | 10,015.13 |
| 6/1/2021 | 7,061 | 1.000% | 2,954.52 | 10,015.52 |
| 9/1/2021 | 7,078 | 1.000% | 2,936.87 | 10,014.87 |
| 12/1/2021 | 7,096 | 1.000% | 2,919.17 | 10,015.17 |
| 3/1/2022 | 7,114 | 1.000% | 2,901.43 | 10,015.43 |
| 6/1/2022 | 7,132 | 1.000% | 2,883.65 | 10,015.65 |
| 9/1/2022 | 7,149 | 1.000% | 2,865.82 | 10,014.82 |
| 12/1/2022 | 7,167 | 1.000% | 2,847.94 | 10,014.94 |
| 3/1/2023 | 7,185 | 1.000% | 2,830.03 | 10,015.03 |
| 6/1/2023 | 7,203 | 1.000% | 2,812.06 | 10,015.06 |
| 9/1/2023 | 7,221 | 1.000% | 2,794.06 | 10,015.06 |
| 12/1/2023 | 7,239 | 1.000% | 2,776.00 | 10,015.00 |
| 3/1/2024 | 7,257 | 1.000% | 2,757.91 | 10,014.91 |
| 6/1/2024 | 7,275 | 1.000% | 2,739.76 | 10,014.76 |
| 9/1/2024 | 7,294 | 1.000% | 2,721.58 | 10,015.58 |
| 12/1/2024 | 7,312 | 1.000% | 2,703.34 | 10,015.34 |
| 3/1/2025 | 7,330 | 1.000% | 2,685.06 | 10,015.06 |
| 6/1/2025 | 7,348 | 1.000% | 2,666.74 | 10,014.74 |
| 9/1/2025 | 7,367 | 1.000% | 2,648.37 | 10,015.37 |
| 12/1/2025 | 7,385 | 1.000% | 2,629.95 | 10,014.95 |
| 3/1/2026 | 7,404 | 1.000% | 2,611.49 | 10,015.49 |
| 6/1/2026 | 7,422 | 1.000% | 2,592.98 | 10,014.98 |
| 9/1/2026 | 7,441 | 1.000% | 2,574.42 | 10,015.42 |
| 12/1/2026 | 7,459 | 1.000% | 2,555.82 | 10,014.82 |
| 3/1/2027 | 7,478 | 1.000% | 2,537.17 | 10,015.17 |
| 6/1/2027 | 7,497 | 1.000% | 2,518.48 | 10,015.48 |
| 9/1/2027 | 7,515 | 1.000% | 2,499.73 | 10,014.73 |
| 12/1/2027 | 7,534 | 1.000% | 2,480.95 | 10,014.95 |
| 3/1/2028 | 7,553 | 1.000% | 2,462.11 | 10,015.11 |
| 6/1/2028 | 7,572 | 1.000% | 2,443.23 | 10,015.23 |
| 9/1/2028 | 7,591 | 1.000% | 2,424.30 | 10,015.30 |
| 12/1/2028 | 7,610 | 1.000% | 2,405.32 | 10,015.32 |
| 3/1/2029 | 7,629 | 1.000% | 2,386.30 | 10,015.30 |
| 6/1/2029 | 7,648 | 1.000% | 2,367.22 | 10,015.22 |

NUMBER
AR-1

# SPECIMEN

Bond Debt Service
Eastern Wyoming PSD
IF
$1,278,826
1% Interest Rate
40 Years from Closing Date

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 9/1/2029 | 7,667 | 1.000% | 2,348.10 | 10,015.10 |
| 12/1/2029 | 7,686 | 1.000% | 2,328.94 | 10,014.94 |
| 3/1/2030 | 7,705 | 1.000% | 2,309.72 | 10,014.72 |
| 6/1/2030 | 7,725 | 1.000% | 2,290.46 | 10,015.46 |
| 9/1/2030 | 7,744 | 1.000% | 2,271.15 | 10,015.15 |
| 12/1/2030 | 7,763 | 1.000% | 2,251.79 | 10,014.79 |
| 3/1/2031 | 7,783 | 1.000% | 2,232.38 | 10,015.38 |
| 6/1/2031 | 7,802 | 1.000% | 2,212.92 | 10,014.92 |
| 9/1/2031 | 7,822 | 1.000% | 2,193.42 | 10,015.42 |
| 12/1/2031 | 7,841 | 1.000% | 2,173.86 | 10,014.86 |
| 3/1/2032 | 7,861 | 1.000% | 2,154.26 | 10,015.26 |
| 6/1/2032 | 7,881 | 1.000% | 2,134.61 | 10,015.61 |
| 9/1/2032 | 7,900 | 1.000% | 2,114.90 | 10,014.90 |
| 12/1/2032 | 7,920 | 1.000% | 2,095.15 | 10,015.15 |
| 3/1/2033 | 7,940 | 1.000% | 2,075.35 | 10,015.35 |
| 6/1/2033 | 7,960 | 1.000% | 2,055.50 | 10,015.50 |
| 9/1/2033 | 7,980 | 1.000% | 2,035.60 | 10,015.60 |
| 12/1/2033 | 8,000 | 1.000% | 2,015.65 | 10,015.65 |
| 3/1/2034 | 8,020 | 1.000% | 1,995.65 | 10,015.65 |
| 6/1/2034 | 8,040 | 1.000% | 1,975.60 | 10,015.60 |
| 9/1/2034 | 8,060 | 1.000% | 1,955.50 | 10,015.50 |
| 12/1/2034 | 8,080 | 1.000% | 1,935.35 | 10,015.35 |
| 3/1/2035 | 8,100 | 1.000% | 1,915.15 | 10,015.15 |
| 6/1/2035 | 8,120 | 1.000% | 1,894.90 | 10,014.90 |
| 9/1/2035 | 8,141 | 1.000% | 1,874.60 | 10,015.60 |
| 12/1/2035 | 8,161 | 1.000% | 1,854.25 | 10,015.25 |
| 3/1/2036 | 8,181 | 1.000% | 1,833.85 | 10,014.85 |
| 6/1/2036 | 8,202 | 1.000% | 1,813.40 | 10,015.40 |
| 9/1/2036 | 8,222 | 1.000% | 1,792.89 | 10,014.89 |
| 12/1/2036 | 8,243 | 1.000% | 1,772.34 | 10,015.34 |
| 3/1/2037 | 8,263 | 1.000% | 1,751.73 | 10,014.73 |
| 6/1/2037 | 8,284 | 1.000% | 1,731.07 | 10,015.07 |
| 9/1/2037 | 8,305 | 1.000% | 1,710.36 | 10,015.36 |
| 12/1/2037 | 8,326 | 1.000% | 1,689.60 | 10,015.60 |
| 3/1/2038 | 8,346 | 1.000% | 1,668.78 | 10,014.78 |
| 6/1/2038 | 8,367 | 1.000% | 1,647.92 | 10,014.92 |
| 9/1/2038 | 8,388 | 1.000% | 1,627.00 | 10,015.00 |
| 12/1/2038 | 8,409 | 1.000% | 1,606.03 | 10,015.03 |
| 3/1/2039 | 8,430 | 1.000% | 1,585.01 | 10,015.01 |
| 6/1/2039 | 8,451 | 1.000% | 1,563.93 | 10,014.93 |
| 9/1/2039 | 8,472 | 1.000% | 1,542.81 | 10,014.81 |
| 12/1/2039 | 8,494 | 1.000% | 1,521.63 | 10,015.63 |
| 3/1/2040 | 8,515 | 1.000% | 1,500.39 | 10,015.39 |
| 6/1/2040 | 8,536 | 1.000% | 1,479.10 | 10,015.10 |
| 9/1/2040 | 8,557 | 1.000% | 1,457.76 | 10,014.76 |
| 12/1/2040 | 8,579 | 1.000% | 1,436.37 | 10,015.37 |
| 3/1/2041 | 8,600 | 1.000% | 1,414.92 | 10,014.92 |

NUMBER
AR-1

# SPECIMEN

Bond Debt Service
Eastern Wyoming PSD
IF
$1,278,826
1% Interest Rate
40 Years from Closing Date

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 6/1/2041 | 8,622 | 1.000% | 1,393.42 | 10,015.42 |
| 9/1/2041 | 8,643 | 1.000% | 1,371.87 | 10,014.87 |
| 12/1/2041 | 8,665 | 1.000% | 1,350.26 | 10,015.26 |
| 3/1/2042 | 8,687 | 1.000% | 1,328.60 | 10,015.60 |
| 6/1/2042 | 8,708 | 1.000% | 1,306.88 | 10,014.88 |
| 9/1/2042 | 8,730 | 1.000% | 1,285.11 | 10,015.11 |
| 12/1/2042 | 8,752 | 1.000% | 1,263.29 | 10,015.29 |
| 3/1/2043 | 8,774 | 1.000% | 1,241.41 | 10,015.41 |
| 6/1/2043 | 8,796 | 1.000% | 1,219.47 | 10,015.47 |
| 9/1/2043 | 8,818 | 1.000% | 1,197.48 | 10,015.48 |
| 12/1/2043 | 8,840 | 1.000% | 1,175.44 | 10,015.44 |
| 3/1/2044 | 8,862 | 1.000% | 1,153.34 | 10,015.34 |
| 6/1/2044 | 8,884 | 1.000% | 1,131.18 | 10,015.18 |
| 9/1/2044 | 8,906 | 1.000% | 1,108.97 | 10,014.97 |
| 12/1/2044 | 8,928 | 1.000% | 1,086.71 | 10,014.71 |
| 3/1/2045 | 8,951 | 1.000% | 1,064.39 | 10,015.39 |
| 6/1/2045 | 8,973 | 1.000% | 1,042.01 | 10,015.01 |
| 9/1/2045 | 8,996 | 1.000% | 1,019.58 | 10,015.58 |
| 12/1/2045 | 9,018 | 1.000% | 997.09 | 10,015.09 |
| 3/1/2046 | 9,041 | 1.000% | 974.54 | 10,015.54 |
| 6/1/2046 | 9,063 | 1.000% | 951.94 | 10,014.94 |
| 9/1/2046 | 9,086 | 1.000% | 929.28 | 10,015.28 |
| 12/1/2046 | 9,109 | 1.000% | 906.57 | 10,015.57 |
| 3/1/2047 | 9,131 | 1.000% | 883.79 | 10,014.79 |
| 6/1/2047 | 9,154 | 1.000% | 860.97 | 10,014.97 |
| 9/1/2047 | 9,177 | 1.000% | 838.08 | 10,015.08 |
| 12/1/2047 | 9,200 | 1.000% | 815.14 | 10,015.14 |
| 3/1/2048 | 9,223 | 1.000% | 792.14 | 10,015.14 |
| 6/1/2048 | 9,246 | 1.000% | 769.08 | 10,015.08 |
| 9/1/2048 | 9,269 | 1.000% | 745.97 | 10,014.97 |
| 12/1/2048 | 9,292 | 1.000% | 722.79 | 10,014.79 |
| 3/1/2049 | 9,316 | 1.000% | 699.56 | 10,015.56 |
| 6/1/2049 | 9,339 | 1.000% | 676.27 | 10,015.27 |
| 9/1/2049 | 9,362 | 1.000% | 652.93 | 10,014.93 |
| 12/1/2049 | 9,386 | 1.000% | 629.52 | 10,015.52 |
| 3/1/2050 | 9,409 | 1.000% | 606.06 | 10,015.06 |
| 6/1/2050 | 9,433 | 1.000% | 582.53 | 10,015.53 |
| 9/1/2050 | 9,456 | 1.000% | 558.95 | 10,014.95 |
| 12/1/2050 | 9,480 | 1.000% | 535.31 | 10,015.31 |
| 3/1/2051 | 9,504 | 1.000% | 511.61 | 10,015.61 |
| 6/1/2051 | 9,527 | 1.000% | 487.85 | 10,014.85 |
| 9/1/2051 | 9,551 | 1.000% | 464.03 | 10,015.03 |
| 12/1/2051 | 9,575 | 1.000% | 440.16 | 10,015.16 |
| 3/1/2052 | 9,599 | 1.000% | 416.22 | 10,015.22 |
| 6/1/2052 | 9,623 | 1.000% | 392.22 | 10,015.22 |
| 9/1/2052 | 9,647 | 1.000% | 368.16 | 10,015.16 |
| 12/1/2052 | 9,671 | 1.000% | 344.05 | 10,015.05 |

NUMBER
AR-1

# SPECIMEN

Bond Debt Service

Eastern Wyoming PSD

IF

$1,278,826

1% Interest Rate

40 Years from Closing Date

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 3/1/2053 | 9,695 | 1.000% | 319.87 | 10,014.87 |
| 6/1/2053 | 9,720 | 1.000% | 295.63 | 10,015.63 |
| 9/1/2053 | 9,744 | 1.000% | 271.33 | 10,015.33 |
| 12/1/2053 | 9,768 | 1.000% | 246.97 | 10,014.97 |
| 3/1/2054 | 9,793 | 1.000% | 222.55 | 10,015.55 |
| 6/1/2054 | 9,817 | 1.000% | 198.07 | 10,015.07 |
| 9/1/2054 | 9,842 | 1.000% | 173.53 | 10,015.53 |
| 12/1/2054 | 9,866 | 1.000% | 148.92 | 10,014.92 |
| 3/1/2055 | 9,891 | 1.000% | 124.26 | 10,015.26 |
| 6/1/2055 | 9,916 | 1.000% | 99.53 | 10,015.53 |
| 9/1/2055 | 9,940 | 1.000% | 74.74 | 10,014.74 |
| 12/1/2055 | 9,965 | 1.000% | 49.89 | 10,014.89 |
| 3/1/2056 | 9,990 | 1.000% | 24.98 | 10,014.98 |
| | 1,278,826 | | 263,510.12 | 1,542,336.12 |

NUMBER
AR-1

# SPECIMEN

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUIRING, CONSTRUCTION, AND EXTENSION AND IMPROVEMENTS TO THE WATER SYSTEM OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2016 B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 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 EASTERN WYOMING PUBLIC SERVICE DISTRICT:

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

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2016 B Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 2016 B Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2016 B Bonds in substantially the form set forth in Section 3.10 hereof.

"Chairperson" means the Chairperson of the Governing Body of the Issuer or any temporary Acting Chairperson duly elected by the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Series 2016 B Bonds for all or a portion of the proceeds of the Series 2016 B Bonds.

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

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

"Consulting Engineers" means E. L. Robinson Engineering Co., Charleston, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03E hereof to be a part of the cost of acquisition and undertaking of the Project.

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

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

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

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

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

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

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment Property" means

(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 Eastern Wyoming Public Service District, a public service district, public corporation and political subdivision of the State in Wyoming County and includes the Governing Body.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2016 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.

"Net Proceeds" means the face amount of the Series 2016 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2016 B 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 2016 B 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, as hereinafter defined and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as

provided in Article X hereof; and (iv) for purposes of consents, notices or other action by a specified percentage of Registered Owners, any Bonds registered to the Issuer.

"Parity Bonds" means additional Parity 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 2016 B Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's (i) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000; (ii) Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000; (iii) Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000; (iv) Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original aggregate principal amount of $1,000,000; (v) Water Revenue Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original aggregate principal amount of $250,000; (vi) Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), dated April 16, 2015, issued in the original aggregate principal amount of $345,000; and (vii) Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated March 16, 2016, issued in the original aggregate principal amount of $1,278,826.

"Prior Resolutions" means, collectively, the resolutions of the Issuer adopted October 10, 2001, August 23, 2004, January 10, 2006, October 13, 2009, March 11, 2014, April 14, 2015 and March 8, 2016 authorizing the Prior Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

"Project" means the acquisition, construction, and extension of the water system to service the unincorporated communities of Bud/Alpoca/Garwood/Herndon.

"PSC" means the Public Service Commission of West Virginia and any successors to the functions thereof.

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to acquire and undertake the Project and approving the financing for the Project and the rates of the System.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; the Governmental National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(c) Any bond, debenture, note, participation certificate or other similar obligation issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(d) Time accounts, (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that such Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time account or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time account;

(e) Money market funds or similar funds, the only assets of which are investments of the type described in paragraphs (a) through (d) above;

(f) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (d) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of paid repurchase agreements, and provided further that the owner of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(g) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia Board of Treasury Investments pursuant to Article 6C, Chapter 12 of the Code of West Virginia, 1931, as amended; and

(h) Advance-Refunded Municipal Bonds.

"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.

"Regulations" means the temporary and permanent regulations promulgated under the Code or any predecessor to the Code.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts of the Series 2016 B Bonds and the Prior Bonds.

"Reserve Requirements" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts.

"Resolution" means this Bond Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000.

"Series 2004 A Bonds" means the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000.

"Series 2006 A Bonds" means the Issuer's Water Revenue Bonds, Series 2006 A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original principal amount of $2,570,000.

"Series 2009 A Bonds" means the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated October 16, 2009, issued in the original principal amount of $1,000,000.

"Series 2014 A Bonds" means the Water Reserve Bonds, Series 2014 A (West Virginia Infrastructure Fund), dated March 25, 2014, issued in the original principal amount of $250,000.

"Series 2015 A Bonds" means the Water Revenue Bonds, Series 2015 A (West Virginia Infrastructure Fund), dated April 16, 2016, issued in the original principal amount of $315,000.

"Series 2016 A Bonds" means the Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated March 16, 2016, issued in the original aggregate principal amount of $1,278,826.

"Series 2016 B Bonds" means the Water Revenue Bonds, Series 2016 B (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2016 B Bonds Project Trust Fund" means the Series 2016 B Bonds Project Trust Fund established by Section 5.01 hereof.

"Series 2016 B Bonds Reserve Account" means the Series 2016 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2016 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2016 B Bonds in the then current or any succeeding year.

"Series 2016 B Bonds Sinking Fund" means the Series 2016 B Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds of the Series 2016 B Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer amendatory hereof or supplemental hereto and when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2016 B Bonds; provided, that any provisions intended by this Resolution to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Series 2016 B Bonds and the Prior Bonds, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and the Sinking Funds.

"System" means the complete public service properties of the Issuer for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the Code of West Virginia, 1931, as amended and in effect on the date of adoption hereof.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairperson or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairperson or Acting Secretary.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The Issuer is a public service district, public corporation and political subdivision of the State in Wyoming County of said State. The Issuer presently owns and operates a public water system in Wyoming County. However, the Issuer deems it necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and undertaken the Project.

B. The Issuer intends to permanently finance the costs of acquisition and undertaking of the Project through the issuance of its revenue bonds to the Authority.

C. The estimated maximum cost of acquisition and undertaking of the Project is $2,328,298.75, of which not more than $200,000 will be obtained from the Series 2016 B Bonds, $482,083 will be obtained from a West Virginia Infrastructure and Jobs Development Council Grant, $1,094,917 will be obtained from a Small Cities Block Grant, $520,000 will be obtained from a U.S. Army Corps of Engineers Grant and $74,381.75 will be obtained from a grant from The County Commission of Wyoming County.

D. The estimated revenues to be derived in each year after acquisition and undertaking of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2016 B Bonds and to make payments into all funds and accounts provided for in this Resolution and the Prior Resolutions.

E. It is deemed necessary for the Issuer to issue the Series 2016 B Bonds in the aggregate principal amount of not more than $200,000, to permanently finance the costs of acquisition and undertaking of the Project. Such costs shall be deemed to include the cost of acquisition of any public service properties, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 2016 B Bonds prior to and during acquisition and for six months after completion of acquisition and undertaking of the Project; 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 and such other expenses as may be necessary or incident to the financing herein authorized, the acquisition and undertaking of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

F. The Series 2016 B 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 2016 B Bonds, the Issuer will obtain (1) the certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; (2) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2016 B 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.

G. The period of usefulness of the System after acquisition and undertaking of the Project is not less than 40 years.

H. It is in the best interests of the Issuer that the Series 2016 B Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, undertaking and operation of the Project and issuance of the Series 2016 B Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the Council and the obtaining of the PSC Order, the time for rehearing and appeal of which has expired or will have been waived prior to the issuance of the Series 2016 B Bonds.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2016 B Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such 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 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II
## AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT

Section 2.01. Authorization of Acquisition and Undertaking of the Project. There is hereby authorized and ordered the acquisition and undertaking of the Project, at an estimated cost of not to exceed $2,328,299.75. The proceeds of the Series 2016 B Bonds shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the acquisition and undertaking of the Project, which are in an amount and otherwise compatible with the financing plan submitted to the Council and the Authority.

## ARTICLE III
## AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying the costs of the Project and paying the costs of issuance of the Series 2016 B Bonds and related costs, there shall be and hereby are authorized to be issued negotiable Series 2016 B Bonds of the Issuer. The Series 2016 B Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2016 B (West Virginia Infrastructure Fund)," in the aggregate principal amount of not more than $200,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2016 B Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2016 B 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, if any, on the Series 2016 B Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution or herein, the Series 2016 B Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2016 B Bonds. The Series 2016 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall have such terms as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2016 B Bonds shall be executed in the name of the Issuer by the Chairperson, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2016 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 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 Resolution. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2016 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide registered owner for value.

So long as any of the Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Bonds or transferring the Bonds is exercised, all such Bonds shall be delivered in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be

canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds during the period commencing on the fifteenth day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 B 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, register 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 Registered Owner's furnishing proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2016 B 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 Registered Owner of such Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds. The payment of the debt service on the Series 2016 B Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2016 B Bonds and the Prior Bonds and to make payments into all funds and accounts hereinafter established and established in the Prior Resolutions, 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 2016 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2016 B Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate, register and deliver the Series 2016 B Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of the Series 2016 B Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2016 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-___ $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ___day of _____, 2016, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming 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,_____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of __ percent (__%) per annum. Principal installments and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of 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 _____, 2016.

This Bond is issued (i) to pay the costs of acquisition, construction, and extension of the water system to service the unincorporated communities of Bud/Alpoca/Garwood/Herndon (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2016, and a Supplemental Resolution duly adopted by the Issuer on _____, 2016 (collectively, the "Resolution"), and is subject to all the terms

and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000; (5) WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 25, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $250,000; (6) WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED APRIL 16, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000, AND (7) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 16, 2016, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,278,826 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2016 B Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2016 B Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2016 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement

therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Resolution, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, EASTERN WYOMING PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2016 B Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2016.

UNITED BANK, INC.,
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 said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement. The Series 2016 B Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairperson is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Resolution.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and undertaking of the Project, the Issuer will file with the Authority and the Council a schedule, 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
## 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 Prior Resolutions);

(2) Renewal and Replacement Fund (established by Prior Resolutions); and

(3) Series 2016 B Bonds Project Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2016 B Bonds Sinking Fund; and

(2) Series 2016 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 Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund; (i) remit the interest payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of interest of the Series 2016 B Bonds, remit to the Commission for deposit in the Series 2016 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and become due on the Series 2016 B Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 B Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the principal payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2016 B Bonds, remit to the Commission for deposit in the Series 2016 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2016 B 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 2016 B 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.

(4) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the reserve account payments to the Reserve Accounts of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2016 B Bonds, if not fully funded upon issuance of the Series 2016 B Bonds, remit to the Commission for deposit in the Series 2016 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2016 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2016 B Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the

extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2016 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2016 B Bonds as the same shall become due. Moneys in the Series 2016 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2016 B Bonds as the same shall come due, when other moneys in the Series 2016 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2016 B Bonds Reserve Account (if fully funded) shall be transferred, not less than once each year, to the Series 2016 B Bonds Project Trust Fund during the acquisition and undertaking of the Project and following completion of the Project to the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2016 B Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2016 B Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2016 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2016 B Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2016 B Bonds Sinking Fund or the Series 2016 B Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2016 B Bonds then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal 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 2016 B Bonds and the Prior 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 2016 B Bonds Sinking Fund and the Series 2016 B Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates hereunder.

Moneys in the Series 2016 B Bonds Sinking Fund and the Series 2016 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2016 B Bonds Sinking Fund and the Series 2016 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2016 B 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 interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement, and submit a copy of said form, together with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent, or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay the charges and the fees then due. The Issuer shall make the necessary arrangements whereby payments to the Commission under this paragraph shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

F. The moneys in excess of the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03A hereof, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because

the required payments into the Reserve Accounts have not, as of such date, funded such account to the requirement therefor.

H. The Gross Revenues of the System shall only be used for purposes of the System.

## ARTICLE VI
## APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2016 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2016 B Bonds, there shall first be deposited with the Commission in the Series 2016 B 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 2016 B Bonds for the period commencing on the date of issuance of the Series 2016 B Bonds and ending 6 months after the estimated date of completion of acquisition and undertaking of the Project.

B. Next, from the proceeds of the Series 2016 B Bonds, there shall be deposited with the Commission in the Series 2016 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2016 B Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2016 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 2016 B Bonds Project Trust Fund and applied solely to payment of the 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 2016 B Bonds.

D. After completion of the acquisition and undertaking of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2016 B Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements from Bond Project Trust Fund. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2016 B Bonds Project 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, moneys in the Series 2016 B Bonds Project 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 2016 B Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

## ARTICLE VII
## ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2016 B Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2016 B Bonds, as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as the Series 2016 B Bonds, or the interest thereon, are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2016 B Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Registered Owner of the Series 2016 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2016 B Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2016 B Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners 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 2016 B Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in this Resolution and the Prior Resolutions.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having

expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the PSC Order and such rates are hereby adopted.

So long as the Series 2016 B 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 this Resolution and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 B Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the System may not be sold, transferred, mortgaged, leased or otherwise disposed of, except in accordance with the terms of the Prior Resolutions. So long as the Series 2016 B 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 or redeem at or prior to maturity all the Bonds Outstanding, or to effectively defease this Resolution in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2016 B Bonds, immediately be remitted to the Commission for deposit in the Series 2016 B Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2016 B Bonds. Any balance remaining after the payment of the Series 2016 B Bonds and interest thereon, if any, shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer

necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall, upon receipt of approval of the Registered Owners, if needed, be remitted by the Issuer to the Commission for deposit in the appropriate Sinking Funds and shall be applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price, or, if not redeemable at par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay or redeem prior to maturity all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners 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. So long as the Series 2016 B Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2016 B Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolutions (so long as the Prior Bonds are Outstanding). All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2016 B 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 and in the Prior Resolutions have been made and are current at the time of 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 liens of the Series 2016 B Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2016 B Bonds and the interest, if any, thereon in this Resolution, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued except in accordance with the terms of the Prior Resolutions. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Resolution, except under the conditions and in the manner provided herein and with the prior written consent of the Authority.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2016 B Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions or improvements to the System or refunding any Outstanding Bonds, or all such purposes.

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three 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 three 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 PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, including the revenues from new customers to be served, 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 and approved by the PSC, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Bonds and the Registered Owners of any Parity Bonds 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 respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding 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 2016 B Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the funds and accounts provided for in this Resolution with respect to the Bonds then Outstanding, and any other payments provided for in this Resolution, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Resolution.

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 and undertaking 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 any and all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition and undertaking of the Project, the operation and maintenance of the System and the administration of the loan or any State and federal 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 times following completion of acquisition and undertaking 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 Registered Owner of the

Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner 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 Authority and the Council and shall mail in each year to any Registered Owners of the 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 Resolution and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations Outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2016 B Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2016 B Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to acquire and undertake the Project in accordance with the PSC Order. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times.

Prior to, during and after completion of acquisition and undertaking and commencement of operation of the Project, the Issuer shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to issuance of the Series 2016 B Bonds, approvals of equitable rates or charges for the use of and service rendered by the System have been obtained 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 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 2016 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 B 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 2016 B Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2016 B 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 2016 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 B 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 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing 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 the Managing 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 Authority and the Council and to any Registered Owner of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the Council and any Registered Owner of any Bonds or anyone acting for and in behalf of such Registered Owner of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineer in the form attached to the Loan Agreement, certifying that the Project has been or will be acquired and undertaken in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and undertaking of the Project, and all permits required by federal and state laws for acquisition and undertaking of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council covering the supervision and inspection of the acquisition and undertaking of the Project.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State.

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 PSC, 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 PSC, 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. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2016 B Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

(4) FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and undertaking of the Project, all orders and approvals from the PSC and the Council necessary for the acquisition and undertaking of the Project and the operation of the System and all approvals for issuance of the Series 2016 B Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [Reserved].

Section 7.19. Statutory Mortgage Lien. For the further protection of the Registered Owners of the Series 2016 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2016 B Bonds; provided however, that the statutory mortgage lien of the Series 2016 B Bonds shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the

Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the Council with copies of all documents submitted to the Authority.

The Issuer shall also comply with all applicable laws, rules and regulations issued by the Authority, the Council or other federal, State or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2016 B Bonds or immediately thereafter, enter into written contracts for the immediate acquisition and undertaking 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 2016 B Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineers. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2016 B Bonds made available due to 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.

Section 7.22. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

## ARTICLE VIII
## INVESTMENT OF FUNDS

Section 8.01. Investment of Funds. Any moneys held as a part of the funds and accounts created by this Resolution, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank or such other bank or national banking association holding such fund or account, as the case may be, at the direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Except as specifically provided herein, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as the Series 2016 B Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2016 B Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate 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 2016 B Bonds as a condition to issuance of the Series 2016 B 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 2016 B Bonds as may be necessary in order to maintain the status of the Series 2016 B 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 2016 B 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 2016 B 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 2016 B Bonds and any additional information requested by the Authority.

## ARTICLE IX
## DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2016 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2016 B 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 2016 B Bonds set forth in this Resolution, any Supplemental Resolution or in the Series 2016 B Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a Bond; or

(3) If a default occurs under the Prior Resolutions or the Prior Bonds; or

(4) 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 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2016 B Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, 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 the 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 undertaking of the Project, or both, 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 Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate and maintain, manage and control the System, 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 the System as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

## ARTICLE X
## PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owner of the Series 2016 B 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 Resolution, then this Resolution and the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2016 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI
## MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to issuance of the Series 2016 B Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2016 B 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 2016 B Bonds shall be made without the consent in writing of the Registered Owners of the Series 2016 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Resolution may be amended without the consent of any Registered Owner 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 2016 B Bonds from gross income of the Registered Owner thereof.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the Series 2016 B Bonds and no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution and the Series 2016 B Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. Except for the Prior Resolutions, all orders or resolutions and parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairperson, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 11th day of October, 2016.

Chairperson

Member

Member

## CERTIFICATION

Certified as a true copy of a Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 11th day of October, 2016.

Dated this 18th day of October, 2016.

[SEAL]

Secretary

## Exhibit A

## Project Description

Construction of approximately 9,350' of 6" and smaller diameter water main, fire hydrants, valves, individual customer services, & other related appurtenances to serve the Bud/Alpoca/Garwood/Herndon communities consisting of approximately 195 residential and small commercial businesses (425 persons) in dire need of potable water.

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2016 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

2.4

BOND RESOLUTION

Table of Contents


Page

ARTICLE I ..... 1

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS ..... 1

Section 1.01. Definitions ..... 1

Section 1.02. Authority for this Resolution ..... 9

Section 1.03. Findings ..... 9

Section 1.04. Resolution Constitutes Contract ..... 10

ARTICLE II ..... 11

AUTHORIZATION OF ACQUISITION AND UNDERTAKING OF THE PROJECT ..... 11

Section 2.01. Authorization of Acquisition and Undertaking of the Project ..... 11

ARTICLE III ..... 11

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT ..... 11

Section 3.01. Authorization of Bonds ..... 11

Section 3.02. Terms of Bonds ..... 11

Section 3.03. Execution of Bonds ..... 12

Section 3.04. Authentication and Registration ..... 12

Section 3.05. Negotiability, Transfer and Registration ..... 12

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost ..... 13

Section 3.07. Bonds not to be Indebtedness of the Issuer ..... 13

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds ..... 13

Section 3.09. Delivery of Bonds ..... 13

Section 3.10. Form of Bonds ..... 14
Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement ..... 24
Section 3.12. Filing of Amended Schedule ..... 24

ARTICLE IV ..... 24
[RESERVED] ..... 24

ARTICLE V ..... 24
SYSTEM REVENUES AND APPLICATION THEREOF ..... 24
Section 5.01. Establishment of Funds and Accounts with Depository Bank ..... 24
Section 5.02. Establishment of Funds and Accounts with Commission ..... 24
Section 5.03. System Revenues; Flow of Funds ..... 24

ARTICLE VI ..... 28
APPLICATION OF BOND PROCEEDS ..... 28
Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds ..... 28
Section 6.02. Disbursements from Bond Project Trust Fund. ..... 28

ARTICLE VII ..... 29
ADDITIONAL COVENANTS OF THE ISSUER ..... 29
Section 7.01. General Covenants of the Issuer ..... 29
Section 7.02. Bonds not to be Indebtedness of the Issuer ..... 29
Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds ..... 29
Section 7.04. Initial Schedule of Rates and Charges ..... 29
Section 7.05. Sale of the System ..... 30
Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances ..... 31
Section 7.07. Parity Bonds ..... 32
Section 7.08. Books; Records and Audit ..... 33
Section 7.09. Rates ..... 35

Section 7.10. Operating Budget and Monthly Financial Report ..... 35
Section 7.11. Engineering Services and Operating Personnel ..... 36
Section 7.12. No Competing Franchise ..... 36
Section 7.13. Enforcement of Collections ..... 36
Section 7.14. No Free Services ..... 37
Section 7.15. Insurance and Construction Bonds ..... 37
Section 7.16. Connections ..... 38
Section 7.17. Completion and Operation of Project; Permits and Orders ..... 38
Section 7.18. [Reserved] ..... 38
Section 7.19. Statutory Mortgage Lien ..... 39
Section 7.20. Compliance with Loan Agreement and Law ..... 39
Section 7.21. Contracts; Public Releases ..... 39
Section 7.22. Securities Law Compliance ..... 39

ARTICLE VIII ..... 40
INVESTMENT OF FUNDS ..... 40
Section 8.01. Investment of Funds ..... 40
Section 8.02. Certificate as to Use of Proceeds ..... 40

ARTICLE IX ..... 41
DEFAULT AND REMEDIES ..... 41
Section 9.01. Events of Default ..... 41
Section 9.02. Remedies ..... 41
Section 9.03. Appointment of Receiver ..... 41

ARTICLE X ..... 43
PAYMENT OF BONDS ..... 43
Section 10.01. Payment of Bonds ..... 43

ARTICLE XI ..... 43
MISCELLANEOUS ..... 43
Section 11.01. Amendment or Modification of Resolution ..... 43

Section 11.02. Resolution Constitutes Contract ..... 43
Section 11.03. Severability of Invalid Provisions ..... 43
Section 11.04. Headings, Etc ..... 43
Section 11.05. Conflicting Provisions Repealed; Prior Resolutions ..... 44
Section 11.06. Covenant of Due Procedure, Etc ..... 44
Section 11.07. Effective Date ..... 45

CERTIFICATION ..... 46

Exhibit A - Project Description ..... 47

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2016 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2016 B (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO SUCH BONDS; 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 Eastern Wyoming Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on October 11, 2016 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUIRING, CONSTRUCTION, AND EXTENSION AND IMPROVEMENTS TO THE WATER SYSTEM OF THE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2016 B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution when used herein;

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds, Series 2016 B (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount not to exceed $200,000 (the "Bonds" or the "Series 2016 B Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 2016 B Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority ("the Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be therein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF EASTERN WYOMING 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 Water Revenue Bonds, Series 2016 B (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered BR-1, in the original principal amount of $156,917. The Series 2016 B Bonds shall be dated the date of delivery, shall finally mature September 1, 2056 and shall bear interest at the rate of one percent 1% per annum. The principal of and interest on the Series 2016 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2018, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2016 B Bonds. The Series 2016 B Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2016 B Bonds.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Resolution.

Section 3. The Issuer hereby authorizes, approves, ratifies and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairperson and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2016 B Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Resolution and approves and accepts the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairperson, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer hereby appoints and designates First Peoples Bank, Mullens, West Virginia, to serve as the Depository Bank under the Resolution.

Section 7. Series 2016 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2016 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2016 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2016 A Bonds Reserve Account.

Section 9. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about October 18, 2016.

Section 10. The acquisition and undertaking of the Project, and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2016 B Bonds Sinking Fund and

the Series 2016 B Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing and acquisition of the Project, and the Chairperson is hereby authorized and directed to execute and deliver all such contracts.

Section 13. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 14. The Issuer hereby authorizes the sweeping of its account by the Municipal Bond Commission to the Series 2016 B Bonds Sinking Fund for the Series 2016 B Bonds Reserve Account.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 11th day of October, 2016.

Chairperson

Member

Member

## CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Eastern Wyoming Public Service District on the 11th day of October, 2016.

Dated this 18th day of October, 2016.

[SEAL]

Secretary

NUMBER
BR-1



SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2016 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-1 $156,917

KNOW ALL MEN BY THESE PRESENTS: That on this 18th day of October, 2016, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of ONE HUNDRED FIFTY SIX THOUSAND NINE HUNDRED SEVENTEEN DOLLARS ($156,917), 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 June 1, 2018, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of one percent 1% per annum. Principal installments of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated October 18, 2016.

This Bond is issued (i) to pay the costs of acquisition, construction, and extension of the water system to service the unincorporated communities of Bud/Alpoca/Garwood/Herndon (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water facilities of the Issuer, the Project and any

NUMBER BR-1

SPECIMEN

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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on October 11, 2016, and a Supplemental Resolution duly adopted by the Issuer on October 11, 2016 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $360,000; (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $570,000; (3) WATER REVENUE BONDS, SERIES 2006 A, DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,570,000; (4) WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 16, 2009, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000, (5) WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED MARCH 25, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $250,000; (6) WATER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED APRIL 16, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000; AND (7) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 16, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,278,826 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2016 B Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2016 B Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, 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 of principal of and interest, if any, on this Bond payable in any year, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond,

including the Prior Bonds; provided however, that so long as there exists in the Series 2016 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution) 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 Resolution, the costs of the Project and costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the 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 upon the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Resolution, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

NUMBER
BR-1
SPECIMEN

IN WITNESS WHEREOF, EASTERN WYOMING PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

[SEAL]

SPECIMEN
Chairperson

ATTEST:

SPECIMEN
Secretary

NUMBER
BR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2016 B Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: October 18, 2016.

UNITED BANK, INC.,
as Registrar

SPECIMEN

Authorized Officer

NUMBER
BR-1

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $25,000 | 10/18/2016 | (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 $

NUMBER
AR-1

SPECIMEN

EXHIBIT B

# DEBT SERVICE SCHEDULE

**Bond Debt Service**
**Eastern Wyoming PSD**
**IF**
**$156,917**
**1% Interest Rate**
**40 Years from Closing Date**

Dated Date 10/18/2016
Delivery Date 10/18/2016

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 6/1/2018 | 837 | 1.000% | 392.29 | 1,229.29 |
| 9/1/2018 | 839 | 1.000% | 390.20 | 1,229.20 |
| 12/1/2018 | 841 | 1.000% | 388.10 | 1,229.10 |
| 3/1/2019 | 843 | 1.000% | 386.00 | 1,229.00 |
| 6/1/2019 | 845 | 1.000% | 383.89 | 1,228.89 |
| 9/1/2019 | 847 | 1.000% | 381.78 | 1,228.78 |
| 12/1/2019 | 849 | 1.000% | 379.66 | 1,228.66 |
| 3/1/2020 | 851 | 1.000% | 377.54 | 1,228.54 |
| 6/1/2020 | 853 | 1.000% | 375.41 | 1,228.41 |
| 9/1/2020 | 856 | 1.000% | 373.28 | 1,229.28 |
| 12/1/2020 | 858 | 1.000% | 371.14 | 1,229.14 |
| 3/1/2021 | 860 | 1.000% | 369.00 | 1,229.00 |
| 6/1/2021 | 862 | 1.000% | 366.85 | 1,228.85 |
| 9/1/2021 | 864 | 1.000% | 364.69 | 1,228.69 |
| 12/1/2021 | 866 | 1.000% | 362.53 | 1,228.53 |
| 3/1/2022 | 869 | 1.000% | 360.37 | 1,229.37 |
| 6/1/2022 | 871 | 1.000% | 358.19 | 1,229.19 |
| 9/1/2022 | 873 | 1.000% | 356.02 | 1,229.02 |
| 12/1/2022 | 875 | 1.000% | 353.83 | 1,228.83 |
| 3/1/2023 | 877 | 1.000% | 351.65 | 1,228.65 |
| 6/1/2023 | 879 | 1.000% | 349.45 | 1,228.45 |
| 9/1/2023 | 882 | 1.000% | 347.26 | 1,229.26 |
| 12/1/2023 | 884 | 1.000% | 345.05 | 1,229.05 |
| 3/1/2024 | 886 | 1.000% | 342.84 | 1,228.84 |
| 6/1/2024 | 888 | 1.000% | 340.63 | 1,228.63 |
| 9/1/2024 | 890 | 1.000% | 338.41 | 1,228.41 |
| 12/1/2024 | 893 | 1.000% | 336.18 | 1,229.18 |
| 3/1/2025 | 895 | 1.000% | 333.95 | 1,228.95 |
| 6/1/2025 | 897 | 1.000% | 331.71 | 1,228.71 |
| 9/1/2025 | 899 | 1.000% | 329.47 | 1,228.47 |
| 12/1/2025 | 902 | 1.000% | 327.22 | 1,229.22 |
| 3/1/2026 | 904 | 1.000% | 324.97 | 1,228.97 |
| 6/1/2026 | 906 | 1.000% | 322.71 | 1,228.71 |
| 9/1/2026 | 908 | 1.000% | 320.44 | 1,228.44 |
| 12/1/2026 | 911 | 1.000% | 318.17 | 1,229.17 |
| 3/1/2027 | 913 | 1.000% | 315.89 | 1,228.89 |
| 6/1/2027 | 915 | 1.000% | 313.61 | 1,228.61 |
| 9/1/2027 | 918 | 1.000% | 311.32 | 1,229.32 |
| 12/1/2027 | 920 | 1.000% | 309.03 | 1,229.03 |
| 3/1/2028 | 922 | 1.000% | 306.73 | 1,228.73 |
| 6/1/2028 | 924 | 1.000% | 304.42 | 1,228.42 |
| 9/1/2028 | 927 | 1.000% | 302.11 | 1,229.11 |
| 12/1/2028 | 929 | 1.000% | 299.80 | 1,228.80 |

NUMBER
AR-1

SPECIMEN

**Bond Debt Service**
**Eastern Wyoming PSD**
**IF**
**$156,917**
**1% Interest Rate**
**40 Years from Closing Date**

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 3/1/2029 | 931 | 1.000% | 297.47 | 1,228.47 |
| 6/1/2029 | 934 | 1.000% | 295.15 | 1,229.15 |
| 9/1/2029 | 936 | 1.000% | 292.81 | 1,228.81 |
| 12/1/2029 | 938 | 1.000% | 290.47 | 1,228.47 |
| 3/1/2030 | 941 | 1.000% | 288.13 | 1,229.13 |
| 6/1/2030 | 943 | 1.000% | 285.77 | 1,228.77 |
| 9/1/2030 | 945 | 1.000% | 283.42 | 1,228.42 |
| 12/1/2030 | 948 | 1.000% | 281.05 | 1,229.05 |
| 3/1/2031 | 950 | 1.000% | 278.68 | 1,228.68 |
| 6/1/2031 | 953 | 1.000% | 276.31 | 1,229.31 |
| 9/1/2031 | 955 | 1.000% | 273.93 | 1,228.93 |
| 12/1/2031 | 957 | 1.000% | 271.54 | 1,228.54 |
| 3/1/2032 | 960 | 1.000% | 269.15 | 1,229.15 |
| 6/1/2032 | 962 | 1.000% | 266.75 | 1,228.75 |
| 9/1/2032 | 965 | 1.000% | 264.34 | 1,229.34 |
| 12/1/2032 | 967 | 1.000% | 261.93 | 1,228.93 |
| 3/1/2033 | 969 | 1.000% | 259.51 | 1,228.51 |
| 6/1/2033 | 972 | 1.000% | 257.09 | 1,229.09 |
| 9/1/2033 | 974 | 1.000% | 254.66 | 1,228.66 |
| 12/1/2033 | 977 | 1.000% | 252.22 | 1,229.22 |
| 3/1/2034 | 979 | 1.000% | 249.78 | 1,228.78 |
| 6/1/2034 | 982 | 1.000% | 247.33 | 1,229.33 |
| 9/1/2034 | 984 | 1.000% | 244.88 | 1,228.88 |
| 12/1/2034 | 986 | 1.000% | 242.42 | 1,228.42 |
| 3/1/2035 | 989 | 1.000% | 239.95 | 1,228.95 |
| 6/1/2035 | 991 | 1.000% | 237.48 | 1,228.48 |
| 9/1/2035 | 994 | 1.000% | 235.00 | 1,229.00 |
| 12/1/2035 | 996 | 1.000% | 232.52 | 1,228.52 |
| 3/1/2036 | 999 | 1.000% | 230.03 | 1,229.03 |
| 6/1/2036 | 1,001 | 1.000% | 227.53 | 1,228.53 |
| 9/1/2036 | 1,004 | 1.000% | 225.03 | 1,229.03 |
| 12/1/2036 | 1,006 | 1.000% | 222.52 | 1,228.52 |
| 3/1/2037 | 1,009 | 1.000% | 220.00 | 1,229.00 |
| 6/1/2037 | 1,011 | 1.000% | 217.48 | 1,228.48 |
| 9/1/2037 | 1,014 | 1.000% | 214.95 | 1,228.95 |
| 12/1/2037 | 1,016 | 1.000% | 212.42 | 1,228.42 |
| 3/1/2038 | 1,019 | 1.000% | 209.88 | 1,228.88 |
| 6/1/2038 | 1,022 | 1.000% | 207.33 | 1,229.33 |
| 9/1/2038 | 1,024 | 1.000% | 204.78 | 1,228.78 |
| 12/1/2038 | 1,027 | 1.000% | 202.22 | 1,229.22 |
| 3/1/2039 | 1,029 | 1.000% | 199.65 | 1,228.65 |
| 6/1/2039 | 1,032 | 1.000% | 197.08 | 1,229.08 |
| 9/1/2039 | 1,034 | 1.000% | 194.50 | 1,228.50 |
| 12/1/2039 | 1,037 | 1.000% | 191.91 | 1,228.91 |
| 3/1/2040 | 1,040 | 1.000% | 189.32 | 1,229.32 |
| 6/1/2040 | 1,042 | 1.000% | 186.72 | 1,228.72 |
| 9/1/2040 | 1,045 | 1.000% | 184.11 | 1,229.11 |

NUMBER AR-1

SPECIMEN

**Bond Debt Service**
**Eastern Wyoming PSD**
**IF**
**$156,917**
**1% Interest Rate**
**40 Years from Closing Date**

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 12/1/2040 | 1,047 | 1.000% | 181.50 | 1,228.50 |
| 3/1/2041 | 1,050 | 1.000% | 178.88 | 1,228.88 |
| 6/1/2041 | 1,053 | 1.000% | 176.26 | 1,229.26 |
| 9/1/2041 | 1,055 | 1.000% | 173.63 | 1,228.63 |
| 12/1/2041 | 1,058 | 1.000% | 170.99 | 1,228.99 |
| 3/1/2042 | 1,061 | 1.000% | 168.34 | 1,229.34 |
| 6/1/2042 | 1,063 | 1.000% | 165.69 | 1,228.69 |
| 9/1/2042 | 1,066 | 1.000% | 163.03 | 1,229.03 |
| 12/1/2042 | 1,068 | 1.000% | 160.37 | 1,228.37 |
| 3/1/2043 | 1,071 | 1.000% | 157.70 | 1,228.70 |
| 6/1/2043 | 1,074 | 1.000% | 155.02 | 1,229.02 |
| 9/1/2043 | 1,077 | 1.000% | 152.34 | 1,229.34 |
| 12/1/2043 | 1,079 | 1.000% | 149.64 | 1,228.64 |
| 3/1/2044 | 1,082 | 1.000% | 146.95 | 1,228.95 |
| 6/1/2044 | 1,085 | 1.000% | 144.24 | 1,229.24 |
| 9/1/2044 | 1,087 | 1.000% | 141.53 | 1,228.53 |
| 12/1/2044 | 1,090 | 1.000% | 138.81 | 1,228.81 |
| 3/1/2045 | 1,093 | 1.000% | 136.09 | 1,229.09 |
| 6/1/2045 | 1,096 | 1.000% | 133.35 | 1,228.35 |
| 9/1/2045 | 1,098 | 1.000% | 130.61 | 1,228.61 |
| 12/1/2045 | 1,101 | 1.000% | 127.87 | 1,228.87 |
| 3/1/2046 | 1,104 | 1.000% | 125.12 | 1,229.12 |
| 6/1/2046 | 1,107 | 1.000% | 122.36 | 1,229.36 |
| 9/1/2046 | 1,109 | 1.000% | 119.59 | 1,228.59 |
| 12/1/2046 | 1,112 | 1.000% | 116.82 | 1,228.82 |
| 3/1/2047 | 1,115 | 1.000% | 114.04 | 1,229.04 |
| 6/1/2047 | 1,118 | 1.000% | 111.25 | 1,229.25 |
| 9/1/2047 | 1,120 | 1.000% | 108.45 | 1,228.45 |
| 12/1/2047 | 1,123 | 1.000% | 105.65 | 1,228.65 |
| 3/1/2048 | 1,126 | 1.000% | 102.85 | 1,228.85 |
| 6/1/2048 | 1,129 | 1.000% | 100.03 | 1,229.03 |
| 9/1/2048 | 1,132 | 1.000% | 97.21 | 1,229.21 |
| 12/1/2048 | 1,134 | 1.000% | 94.38 | 1,228.38 |
| 3/1/2049 | 1,137 | 1.000% | 91.54 | 1,228.54 |
| 6/1/2049 | 1,140 | 1.000% | 88.70 | 1,228.70 |
| 9/1/2049 | 1,143 | 1.000% | 85.85 | 1,228.85 |
| 12/1/2049 | 1,146 | 1.000% | 82.99 | 1,228.99 |
| 3/1/2050 | 1,149 | 1.000% | 80.13 | 1,229.13 |
| 6/1/2050 | 1,152 | 1.000% | 77.26 | 1,229.26 |
| 9/1/2050 | 1,154 | 1.000% | 74.38 | 1,228.38 |
| 12/1/2050 | 1,157 | 1.000% | 71.49 | 1,228.49 |
| 3/1/2051 | 1,160 | 1.000% | 68.60 | 1,228.60 |
| 6/1/2051 | 1,163 | 1.000% | 65.70 | 1,228.70 |
| 9/1/2051 | 1,166 | 1.000% | 62.79 | 1,228.79 |
| 12/1/2051 | 1,169 | 1.000% | 59.88 | 1,228.88 |
| 3/1/2052 | 1,172 | 1.000% | 56.95 | 1,228.95 |
| 6/1/2052 | 1,175 | 1.000% | 54.02 | 1,229.02 |

NUMBER
AR-1

SPECIMEN

**Bond Debt Service**
**Eastern Wyoming PSD**
**IF**
**$156,917**
**1% Interest Rate**
**40 Years from Closing Date**

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 9/1/2052 | 1,178 | 1.000% | 51.09 | 1,229.09 |
| 12/1/2052 | 1,181 | 1.000% | 48.14 | 1,229.14 |
| 3/1/2053 | 1,184 | 1.000% | 45.19 | 1,229.19 |
| 6/1/2053 | 1,187 | 1.000% | 42.23 | 1,229.23 |
| 9/1/2053 | 1,190 | 1.000% | 39.26 | 1,229.26 |
| 12/1/2053 | 1,193 | 1.000% | 36.29 | 1,229.29 |
| 3/1/2054 | 1,196 | 1.000% | 33.30 | 1,229.30 |
| 6/1/2054 | 1,199 | 1.000% | 30.31 | 1,229.31 |
| 9/1/2054 | 1,202 | 1.000% | 27.32 | 1,229.32 |
| 12/1/2054 | 1,205 | 1.000% | 24.31 | 1,229.31 |
| 3/1/2055 | 1,208 | 1.000% | 21.30 | 1,229.30 |
| 6/1/2055 | 1,211 | 1.000% | 18.28 | 1,229.28 |
| 9/1/2055 | 1,214 | 1.000% | 15.25 | 1,229.25 |
| 12/1/2055 | 1,217 | 1.000% | 12.22 | 1,229.22 |
| 3/1/2056 | 1,220 | 1.000% | 9.17 | 1,229.17 |
| 6/1/2056 | 1,223 | 1.000% | 6.12 | 1,229.12 |
| 9/1/2056 | 1,226 | 1.000% | 3.07 | 1,229.07 |
| | 156,917 | | 32,334.71 | 189,251.71 |

NUMBER
AR-1

SPECIMEN

## ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.1

GENERAL CERTIFICATE ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES AND DELIVERY
6. PUBLIC SERVICE COMMISSION ORDER
7. RATES
8. INCUMBENCY AND OFFICIAL NAME
9. LAND AND RIGHTS-OF-WAY
10. MEETINGS
11. INSURANCE
12. LOAN AGREEMENT
13. SPECIMEN BOND
14. BOND PROCEEDS
15. CONFLICTS OF INTEREST
16. VERIFICATION OF SCHEDULE B
17. COUNTERPARTS

On this 13th day of September, 2018, we, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Eastern Wyoming Public Service District (the "Issuer") and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2018 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 set forth in the Bond Resolution duly adopted by the Issuer on September 11, 2018, the Supplemental Resolution duly adopted by the Issuer on September 11, 2018 (collectively, the "Resolution"), and the loan agreement for the Series 2018 A Bonds by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated September 13, 2018 (the "Loan Agreement").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the authorization, issuance, sale and delivery of the Bonds, the acquisition and undertaking of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Net Revenues for the Bonds; nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the Issuer or the title of the members or officers of the Issuer or

the Board thereof to their respective offices; nor questioning any proceedings of the Issuer taken with respect to the authorization, issuance, sale or delivery of the Bonds, the acquisition and undertaking of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Net Revenues for the Bonds.

3. GOVERNMENTAL APPROVALS: All applicable approvals, permits, exemptions, consents, authorizations, registrations, licenses, orders and certificates required by law for the creation and existence of the Issuer, the acquisition and undertaking 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. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery of the Loan Agreement. The Issuer has met all conditions set forth in the Loan Agreement and will provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

The Series 2018 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements of the Prior Bonds and the Prior Resolutions and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2018 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.

5. SIGNATURES AND DELIVERY: The undersigned Chairman and Secretary are the duly elected or appointed, qualified and acting officers of the Issuer as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer. The seal impressed upon the Bonds and this Certificate is the duly authorized, proper and only seal of the Issuer. On the date hereof, the undersigned Chairman did officially sign all of the Bonds, consisting upon original issuance of a single Bond, dated the date hereof, by his or her manual signature; the undersigned Secretary did officially cause the seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature; the Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement.

6. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia (the "PSC") dated January 9, 2018, in Case No. 17-1399-PWD-CN, which became a Final Order on January 29, 2018, granting Issuer's Petition for consent and approval of the acquisition, construction, and extension of the water system to service the unincorporated communities of

Barkers Ridge, Barkers Creek, Milam Ridge and surrounding areas in Wyoming County and making certain improvements thereto. The time for appeal of the PSC Order, has expired prior to the date hereof without any appeal having been filed. The PSC Order remains in full force and effect.

The Issuer has duly published the required notice with respect to, among other things, the amount of the Bonds to be issued, the interest rate and terms of the Bonds, the Project to be acquired and undertaken, the cost of the Project the anticipated user rates and charges and approval of the Project in accordance with Chapter 16, Article 13A, Section 25 of the Code of West Virginia, 1931, as amended.

7. RATES: The rates for the System, as approved by the PSC, are currently in effect. The time for appeal for such order has expired prior to the date hereof and such order remains in full force and effect.

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Eastern Wyoming Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Wyoming County and existing under the laws of, and a political subdivision of, the State of West Virginia in Wyoming County of said State. The Issuer operates the System in Wyoming County of said State. 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 their current terms are as follows:

| Name | Date of Commencement of Office | Date of Termination of Office |
|---|---|---|
| Virgil A. Shrewsbury, Jr. | January 1, 2013 | December 31, 2018 |
| Willie Catron | January 1, 2017 | December 31, 2022 |
| Mart Lane | January 1, 2015 | December 31, 2020 |

The duly elected or appointed officers of the Board for 2018 are as follows:

| | | |
|---|---|---|
| Virgil A. Shrewsbury, Jr. | - | Chairman |
| Willie Catron | - | Secretary |
| Mart Lane | - | Treasurer |

The duly appointed and acting attorney for the Issuer is John F. Rist, III, of Beckley, West Virginia.

9. LAND AND RIGHTS-OF-WAY: All land, rights-of-way and easements necessary for the acquisition and undertaking 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 that would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any

properties that 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, provided, that any rights-of-ways required for the Herndon and Garwood areas will be obtained prior to any expenditures in those areas.

10. MEETINGS: All actions, resolutions, orders and agreements taken, adopted and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, undertaking, operation and financing of the Project or the System were authorized or adopted at meetings of the Board duly and regularly or specifically called and held pursuant to all applicable statutes and the rules of procedure of the Board, and a quorum of duly appointed, qualified and acting members of the Board was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

11. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain workers' compensation, public liability insurance, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Resolution and the Loan Agreement. All insurance for the System required by the Resolution and the Loan Agreement are in full force and effect.

12. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement, which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

The Issuer will serve the additional customers at the location(s) as set forth in the Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority. Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

13. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Bond which, except as to execution and authentication, is identical in all respects with the Bond this day delivered to the Authority and being substantially in the form prescribed in the Resolution.

14. BOND PROCEEDS: On the date hereof, the Issuer received the sum of $____ from the Authority and the Council, being a portion of the principal amount of the Series 2018 A Bonds. The balance of the principal amount of the Series 2018 A Bonds will be advanced to the Issuer from time to time as acquisition and undertaking of the Project progresses.

15. CONFLICTS OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or the sale of any land, materials, supplies or services to the Issuer, or to any contractor supplying the Issuer, relating to the Bonds, the Resolution 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.

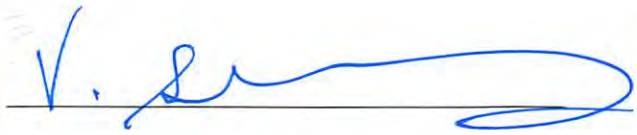
16. VERIFICATION OF SCHEDULE B: The final Schedule B, with the signature of the Chairman and the Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

17. COUNTERPARTS: This Certificate may be executed in counterparts and all counterparts shall be deemed to be the Certificate.

[Remainder of page intentionally left blank]

WITNESS our signatures and the official corporate seal of Eastern Wyoming Public Service District as of the date first written above.

[SEAL]

| Signature | Official Title |
| --- | --- |
|  | Chairman |
|  | Secretary |
| _____ | Attorney |

WITNESS our signatures and the official corporate seal of Eastern Wyoming Public Service District as of the date first written above.

[SEAL]

| Signature | Official Title |
| --- | --- |
| _____ | Chairman |
| _____ | Secretary |
| _____ | Attorney |

EXHIBIT A

See Specimen Bond (Tab No. 14).

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.2

CERTIFICATE AS TO USE OF PROCEEDS

On this 13th day of September, 2018, the undersigned Chairman of the Public Service Board of Eastern Wyoming Public Service District in Wyoming County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $1,358,702 Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), of the Issuer, dated September 13, 2018 (the "Bonds" or the "Series 2018 A Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution duly adopted by the Issuer on September 11, 2018 (the "Bond Resolution"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 13, 2018, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Bonds were sold on September 13, 2018, to the Authority, pursuant to a loan agreement dated September 13, 2018, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $1,358,702 (100% of par), at which time, the Issuer received the sum of $246,114.35 from the Authority and the Council, being the first advance of the principal amount of the Bonds. No accrued interest has been or will be paid

on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition of the Project progresses.

6. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition, construction, and extension of the water system to service the unincorporated communities of Barkers Ridge, Barkers Creek, Milam Ridge and surrounding areas of Wyoming County and making certain improvements thereto (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and undertaking of the Project, constituting a substantial binding commitment, or has already done so. The acquisition and undertaking of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2018 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before September 1, 2019. The acquisition and undertaking of the Project is expected to be completed by August 1, 2019.

8. The total cost of the Project is estimated at $2,939,530. Sources and uses of funds for the Project are as follows:

SOURCES

| | |
|---|---|
| Series 2018 A Bonds Proceeds | $1,358,702 |
| IJDC Grant | 303,418 |
| AML Grant | 1,277,410 |
| Total Sources | $2,939,530 |

USES

| | |
|---|---|
| Costs of Project | $2,919,030 |
| Costs of Issuance | $20,500 |
| Total Uses | $2,939,530 |

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2018 A Bonds Sinking Fund; and

(4) Series 2018 A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited as follows:

(1) Bond proceeds in the amount of $-0- will be deposited in the Series 2018 A Bonds Reserve Account.

(2) The balance of the proceeds of the Bonds will be deposited in the Series 2018 A Project Trust Fund and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs, and for no other purpose.

Prior to expenditure, the proceeds of the Bonds in the Series 2018 A Project Trust Fund will be invested at a yield not to exceed the yield on the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

11. Moneys held in the Series 2018 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to meet costs of acquisition and undertaking of the Project. All investment earnings on moneys in the Series 2018 A Bonds Reserve Account (if fully funded) will be withdrawn therefrom and deposited into the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and undertaking of the Project will proceed with due diligence to completion. The acquisition of the Project is expected to be completed within 12 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2018 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

19. The proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue. The Issuer covenants that it shall maintain thorough and accurate accounting records, in conformance with generally accepted accounting principles, relative to the proceeds of the Bonds so that use of the proceeds of the Bonds can be accounted for.

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental or public purpose bonds.

23. The Issuer has either (a) funded the Series 2018 A Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2018 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2018 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2018 A Bonds Reserve Account and the Series 2018 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

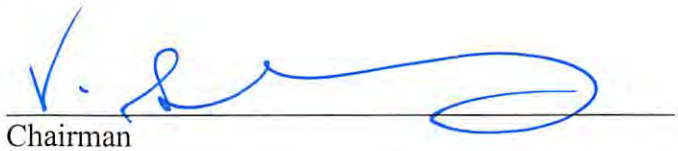
25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

27. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature as of the date first written above.

EASTERN WYOMING PUBLIC SERVICE DISTRICT



Chairman

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CERTIFICATE OF SECRETARY
AS TO TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

On this 13th day of September, 2018, the undersigned duly appointed Secretary of Eastern Wyoming Public Service District (the "Issuer") hereby certifies that the copies of the following documents being delivered in connection with the closing of the sale of the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the Issuer and delivered in the transcript of proceedings, that said documents have been duly adopted or approved by the Public Service Board (the "Board") of the Issuer and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Orders of The County Commission of Wyoming County Creating and Enlarging the Issuer.

2. Orders of The County Commission of Wyoming County Appointing the Members of the Board.

3. Oaths of Office of the Board Members.

4. Rules of Procedure.

5. Minutes of Current Year Organizational Meeting.

6. Public Service Commission Order.

7. Infrastructure Council Approval Letter.

8. Infrastructure Council Loan Agreement.

9. Bond Resolution.

10. Supplemental Resolution.

11. Minutes of Board Meeting regarding Adoption of Bond Resolution and Supplemental Resolution.

12. Affidavit of Publication regarding Notice of Meeting to Adopt Bond Resolution and Supplemental Resolution.

13. WDA Consent to Issuance of Bonds.

14. Evidence of Insurance.

15. Evidence of AML Grant.

16. Infrastructure Council Grant Agreement.

[Remainder of page intentionally left blank]

WITNESS my signature and the official seal of the Issuer as of the date first written above.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

Secretary

[SEAL]

CERTIFICATE OF CONSULTING ENGINEER

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

I, Charles R. Roberts, Jr., Registered Professional Engineer, West Virginia License No. 10424, of E.L. Robinson Engineering Co., Consulting Engineers, Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments, improvements and extensions (the "Project") to the existing public waterworks system (the "System") of Eastern Wyoming Public Service District (the "Issuer"), to be constructed primarily in Wyoming County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted or enacted by the Issuer on September 11, 2018, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated September 13, 2018 (the "Loan Agreement").

2. The Bonds are being issued for the purposes of (i) paying the costs of the acquisition and construction of the Project, and (ii) paying certain issuance and other costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and in reliance upon the opinion of William S. Winfrey, II, that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) in reliance upon the certificate of Griffith & Associates, PLLC of even date herewith, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement;

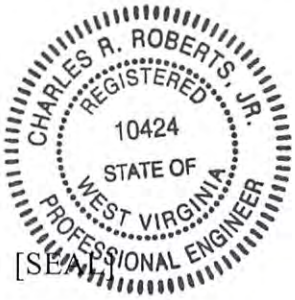
(x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; (xi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (xii) the Project was designed and will be constructed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (xiii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve approximately 63* new customers in the unincorporated communities of Barkers Ridge, Barkers Creek, Milam Ridge and surrounding areas of Wyoming County as approved by the Infrastructure Council.

[The remainder of this page intentionally left blank. Signature page follows.]

* The preapplication noted 71 new customers; 8 of those new customers have connected with the use of the project underrun funds approved by the Infrastructure Fund.

WITNESS my signature and seal on this 13th day of September, 2018.




[SEAL]

By _____
E.L. ROBINSON ENGINEERING COMPANY
Charles R. Roberts, Jr., P.E.
West Virginia License No. 10424

September 13, 2018

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Eastern Wyoming Public Service District
Stephenson, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: CPA Certificate (Barker's Ridge Phase II)

Ladies and Gentlemen:

I have reviewed the water rates of Eastern Wyoming Public Service District (the "Issuer") and the projected operating expenses and anticipated customer usage provided by E. L. Robinson Engineering Company, the engineer of the Issuer. It is my opinion that such rates are sufficient (i) to provide for all operating expenses of the water facilities of the Issuer (the "System") and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Issuer's Waterworks Revenue Bonds, Series 2001 A; Water Revenue Bonds, Series 2004 A; Water Revenue Bonds, Series 2006 A; Water Revenue Bonds, Series 2009 A; Water Revenue Bonds, Series 2014 A, and Water Revenue Bonds, Series 2015 A, Water Revenue Bonds, Series 2016 A and Water Revenue Bonds, Series 2016 B (collectively, the "Prior Bonds"); and Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund) (the "Series 2018 A Bonds") to be issued in the original aggregate principal amount of $1,358,702.

It is further my 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 2018 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 acquisition to be financed by the Series 2018 A Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Prior Bonds and the Series 2018 A Bonds.

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution authorizing the Series 2018 A Bonds.

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/tf

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

RECEIPT FOR BONDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, hereby certifies as follows:

1. On this 13th day of September, 2018, in Charleston, West Virginia, the Authority received the Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), of Eastern Wyoming Public Service District (the "Issuer"), in the principal amount of $1,358,702, numbered AR-1, issued in the form of one bond, fully registered to the Authority, and dated September 13, 2018 (the "Bonds").

2. At the time of such receipt of the Bonds, they had been executed by the Chairman of the Issuer and attested by the Secretary of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been impressed upon the Bonds.

WITNESS my signature on this 13th day of September, 2018.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Sheila A. Miller
Authorized Representative

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

RECEIPT FOR BOND PROCEEDS

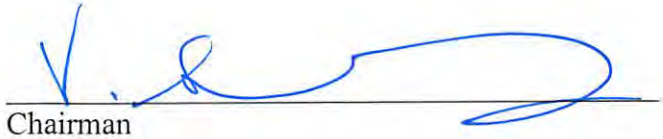
The undersigned Chairman of Eastern Wyoming Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

On this 13th day of September, 2018, the Issuer received from the West Virginia Water Development Authority (the "Authority"), as the original purchaser of the $1,358,702 Eastern Wyoming Public Service District Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated September 13, 2018 (the "Series 2018 A Bonds"), the sum of $246,114.35, being a portion of the principal amount of the Series 2018 A Bonds. The Issuer understands that the remaining proceeds of the Series 2018 A Bonds will be advanced to the Issuer by the Authority and the West Virginia Infrastructure and Jobs Development Council from time to time as acquisition proceeds to completion.

[The remainder of this page intentionally left blank; signature page follows.]

WITNESS my signature on this 13th day of September, 2018.

EASTERN WYOMING PUBLIC SERVICE DISTRICT



Chairman

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

REQUEST AND AUTHORIZATION TO
AUTHENTICATE, REGISTER AND DELIVER BONDS

United Bank
Charleston, West Virginia

Ladies and Gentlemen:

We herewith hand to you, duly executed, the $1,358,702 Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), in the form of one bond, numbered AR-1, dated September 13, 2018 (the "Bonds"), of Eastern Wyoming Public Service District (the "Issuer"), authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on September 11, 2018, and a Supplemental Resolution duly adopted by the Issuer on September 11, 2018.

You are hereby requested and authorized to authenticate, register and deliver the Bonds on behalf of the Issuer to the West Virginia Water Development Authority.

WITNESS my signature on this 13th day of September, 2018.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

Chairman

(SEAL)

Attest:

Secretary

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 13th day of September, 2018, by and between EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public corporation (the "Issuer"), and UNITED BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $1,358,702 Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated September 13, 2018 (the "Bonds"), in the form of one bond, in fully registered form, pursuant to a Bond Resolution adopted by the Issuer on September 11, 2018, and a Supplemental Resolution adopted by the Issuer on September 11, 2018 (collectively, the "Resolution");

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 Resolution, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Resolution 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 Resolution, 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 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 heretofore agreed by the parties and set forth in the attached invoice.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Resolution, the terms of the Resolution 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 Resolution 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 address:

ISSUER:
Eastern Wyoming Public Service District
P.O. Box 506
Logan, WV 25601
Attention: General Manager

REGISTRAR:
United Bank
500 Virginia Street East
Charleston, WV 25301
Attention: Corporate Trust Department

The Issuer and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Resolution.

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 date first written above.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

Chairman

UNITED BANK

Authorized Officer

EXHIBIT A

See Bond Resolution (Tab No. 10)
See Supplemental Resolution (Tab No. 11)

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2018 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CERTIFICATE OF REGISTRATION OF BONDS

UNITED BANK, Charleston, West Virginia, as Registrar (the "Registrar"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), of Eastern Wyoming Public Service District (the "Issuer"), dated September 13, 2018, in the principal amount of $1,358,702, numbered AR-1, was registered as to principal and interest, in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature on this 13th day of September, 2018.

UNITED BANK, as Registrar

Authorized Officer

# ON FILE WITH THE ISSUER

**WEST VIRGINIA MUNICIPAL BOND COMMISSION**
Suite 1117
900 Pennsylvania Avenue, Charleston, WV 25302
(304) 558-3971

**NEW ISSUE REPORT FORM**
Date of Report: September 13, 2018

ISSUE: Eastern Wyoming Public Service District Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund)
ADDRESS: P.O. Box 506, Logan, WV 25601 COUNTY: Wyoming

PURPOSE OF ISSUE: New Money X
Refunding _____ Refunds issue(s) dated: _____

ISSUE DATE: September 13, 2018
ISSUE AMOUNT: $1,358,702
1st DEBT SERVICE DUE: June 1, 2020
1st DEBT SERVICE AMOUNT: $15,084.51

CLOSING DATE: September 13, 2018
RATE: 2%
1st PRINCIPAL DUE: June 1, 2020
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL: Kauffelt & Kauffelt
Contact Person: Jim Kauffelt, Esq.
Phone: (304) 345-1272

CLOSING BANK: First Peoples Bank
Contact Person: Randy Hamilton
Phone: (304) 294-7115

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: William Baisden
Position: General Manager
Phone: (304) 946-2641
E-Mail: wb@lcpsd.com

OTHER: WV Infrastructure & Jobs Development Council
Contact Person: Wayne Morgan
Function: Executive Director
Phone: (304) 414-6500 , ext. 106

DEPOSITS TO MBC AT CLOSE: _____
By ____ Wire _____
_____ Check _____

Accrued Interest: $_____
Capitalized Interest: $_____
Reserve Account: $_____
Other: _____ $

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By _____ Wire _____
_____ Check _____
_____ IGT _____

To Escrow Trustee: $_____
To Issuer: $_____
To Cons. Invest. Fund $_____
To Other: _____ $_____

NOTES: The Reserve Fund will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

JACKSONKELLY PLLC
500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

September 13, 2018

Eastern Wyoming Public Service District
Logan, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Eastern Wyoming Public Service District Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have served as bond counsel to Eastern Wyoming Public Service District (the "Issuer") in connection with the issuance of its Water Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Bonds, dated September 13, 2018, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of $1,358,702, in the form of one bond, registered as to principal and interest to the Authority, bearing interest at the rate of 2% per annum, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2020, all as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of the acquisition, construction, and extension of the water system to service the unincorporated communities of Bud/Alpoca in Wyoming County, and making certain improvements thereto (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Resolution duly adopted by the Issuer on September 11, 2018, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 11, 2018 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Bonds are authorized and issued, and the Loan Agreement is entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

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 and is a public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire the Project, to operate and maintain the System, to adopt the Resolution and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof.

3. The Loan Agreement inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer, without the written consent of the Authority and the Council.

4. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Bonds. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and a 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 Prior Bonds, all in accordance with the terms of the Bonds and the Resolution.

6. Under the Act, the Bonds and the interest, if any, thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

7. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

No opinion is given herein as to the effect upon the enforceability of the Bonds under any applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or the exercise of judicial discretion or principles of equity 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,

Jackson Kelly PLLC

# RIST, HIGGINS & ASSOCIATES, P.L.L.C.

ATTORNEYS AT LAW
1800 HARPER ROAD
BECKLEY, WEST VIRGINIA 25801

TELEPHONE NO. 304-255-1400/255-4849
FACSIMILE NO. 304-255-6914

JOHN F. RIST, III
E-Mail: j.rist@suddenlinkmail.com

JAMES C. HIGGINS(1930-2017)


September 13, 2018

Eastern Wyoming Public Service District
Logan, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: Eastern Wyoming Public Service District Water Revenue Bonds
2018 Series A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We are counsel to Eastern Wyoming Public Service District, (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Jackson Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement for the Bonds, dated September 13, 2018, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the"Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a Bond Resolution duly adopted by the Public Service Board of the Issuer (the "Board") on September 11, 2018, as supplemented by a Supplement Resolution duly adopted on September 11, 2018 (collectively, the "Resolution"), orders of the County Commission of Wyoming County relating to the Issuer and the appointment of members of the Board, and other documents relating to the Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Loan Agreement and the Resolution when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing public service district and is a public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire the Project, to operate and maintain the System and to adopt the Resolution, all under the Act and other applicable provisions of law.

2. The members and officers of the Board have been duly and properly appointed and elected, have taken the requisite oaths and are thereby authorized to act on behalf of the Issuer in their respective capacities.

3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

4. The Resolution has been duly adopted by the Board and is in full force and effect.

5. To the best of our knowledge after due inquiry, the execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Resolution, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any resolution, agreement, or other instrument to which Issuer is a party and of which we are aware or any existing law, regulation, rule, court order or consent decree to which the Issuer is subject.

6. To the best of our knowledge after due inquiry, the Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates, registrations and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, all requisite permits, approvals, orders and certificates from the County Commission of Wyoming County, the West Virginia Bureau for Public Health, and the Council. The Issuer has taken all actions required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges.

7. To the best of our knowledge after due inquiry, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Bonds and the Resolution, the acquisition of the Project, the operation of the System, the validity of the Bonds, the collection of the Gross Revenues or the pledge of the Net Revenues for the payment of the Bonds.

8. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (1) are in compliance with the contacts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act and the Ordinance; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

9. The contractors have been required to provide affidavits from all contractors and subcontractors indicating that each contractor and subcontractor have a drug free workplace policy pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended. Each contractor has submitted a plan to implement the drug free workplace policy prior to the awarding of the contract pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended.

We express no other opinions other than those expressly stated hereinabove. Without limiting the generality of the foregoing sentence, we express no opinion as to the tax, bond or securities laws of the United States or of any state thereof.

It is to be understood that the rights of the various parties to the transaction and the enforceability of the instruments and agreements may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights (to the extent constitutionally applicable), and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered only for the benefit of the addressees and may not be relied upon by other parties without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion.

Sincerely,

RIST, HIGGINS & ASSOCIATES, PLLC

John F. Rist, III

JFR/lp

September 13, 2018

Eastern Wyoming Public Service District
Logan, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: Eastern Wyoming Public Service District Water Revenue Bonds
Series 2018 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We are special PSC counsel to Eastern Wyoming Public Service District, a public service district, in Wyoming County, West Virginia (the "Issuer"). As such counsel, we have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds, and the proposed project consisting of the construction of certain additions, extensions and improvements to the water distribution facilities to service the unincorporated communicities of Barkers Ridge, Barkers Creek, Milam Creek and surrounding areas in Wyoming County (the "Project"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution when used herein.

The Issuer has received all orders, certificates and authorizations from the Public Service Commission of West Virginia necessary for the issuance of the Bonds, the construction of the Project, the operation of the System and the implementation of rates and charges. The Issuer has received a Recommended Decision entered January 9, 2018, in Case No. 17-1399-PWD-CN, which became a Final Order of the Public Service Commission of West Virginia on January 29, 2018, approving the Project, approving the financing for the Project and approving rates to become effective upon substantial completion of the Project. The time for appeal of the Order has expired prior to the date hereof without any appeal having been filed. The Order remains in full force and effect.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

Spilman Thomas & Battle, PLLC

SPILMAN THOMAS & BATTLE, PLLC

# RIST, HIGGINS & ASSOCIATES, P.L.L.C.

ATTORNEYS AT LAW
1800 HARPER ROAD
BECKLEY, WEST VIRGINIA 25801

TELEPHONE NO. 304-255-1400/255-4849

John F. Rist, III
E-Mail: j.rist@suddenlinkmail.com

FACSIMILE NO. 304-255-6914

James C. Higgins (1930-2017)


September 13, 2018

Wayne Morgan, P. E., MBA
West Virginia Infrastructure & Jobs Development Council
1009 Bullitt Street
Charleston, West Virginia 25301

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301

Mr. Roger Earle, P.E.
Waterline Coordinator
WV Department of Environmental Protection
Office of Abandoned Mine Lands & Reclamation
601 57th Street SE
Charleston, West Virginia 25304

Eastern Wyoming Public Service District
P.O. Box 506
Logan, West Virginia 25601

RE: Final Title Opinion for Eastern Wyoming Public Service District
(Barkers Ridge / Basin Phase II)

Ladies and Gentlemen:

I am counsel to Eastern Wyoming Public Service District (the "Issuer") in connection with a proposed project to acquire and construct the Barkers Ridge/Basin Phase II waterline extension. I provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure & Jobs Development Council for the Project. Please be advised of the following:

1. The Issuer is a duly created and validly existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia to acquire and maintain the Project.

2. That I am advised by E. L. Robinson Engineering, the consulting engineers for the Project, that the District has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by E. L. Robinson Engineering, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Wyoming County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Issuer has acquired legal title or such other estate or interest in the necessary site components for the Project, sufficient to assure undisturbed use and possession for the purpose of operation and maintenance for the estimated life of the Project.

5. That all deeds and easements which have been acquired to date by the District have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the District.

This opinion is subject to: (a) reservations, exceptions, easements, covenants and restrictions contained in prior deeds to the subject tracts; (b) the liens for the taxes for the tax year 2017 and 2018; (c) an accurate engineering survey of said tracts; (d) the plotting of off-conveyances to determine overlaps, if any; (e) any reservations or exceptions which a visual inspection of the premises or a review of the zoning ordinance would disclose; (f) any unripened mechanic's lien rights; and (g) any claim by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws; (h) the accuracy of the indices and the records in the County Clerk's, the Sheriff's and Assessor's Offices of Wyoming County, West Virginia, as the same appeared on the dates that the various instruments were recorded; and (i) the accuracy of the information provided to us by the Project Engineers, including, but not limited to the list of easements and properties to be acquired for the Project.

This opinion is rendered only for the benefit of the addresses and may not be relied upon by other parties without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion.

Sincerely,

RIST, HIGGINS & ASSOCIATES, P.L.L.C.

John F. Rist III

JFR:lp

cc: Region 1 Planning and Development