

PUTNAM COUNTY BUILDING COMMISSION

**WATERWORKS LEASE REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

BOND ORDINANCE

Table of Contents

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

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

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

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

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

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

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

ARTICLE IV [RESERVED]

ARTICLE V FUNDS AND ACCOUNTS; REVENUES AND APPLICATION THEREOF

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

ARTICLE VI BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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

ARTICLE VII ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Revenues
Section 7.04	Rates and Charges
Section 7.05	Sale of the Series System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	[RESERVED]
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel
Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections
Section 7.14	No Free Services
Section 7.15	Insurance and Construction Bonds
Section 7.16	Connections
Section 7.17	Completion of Project; Permits and Orders
Section 7.18	Compliance with Loan Agreement and Law
Section 7.19	Tax Covenants

Section 7.20	Securities Laws Compliance
Section 7.21	Contracts; Public Releases
Section 7.22	Deed of Trust and Security Agreement

ARTICLE X

ARTICLE VIII INVESTMENT OF FUNDS

Section 8.01	Investments
Section 8.02	

ARTICLE IX DEFAULT AND REMEDIES

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

ARTICLE X DEFEASANCE

Section 10.01	Defeasance of Bonds
---------------	---------------------

ARTICLE XI MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Bond Legislation Constitutes Contract
Section 11.03	Severability of Invalid Provisions
Section 11.04	Headings, Etc.
Section 11.05	Conflicting Provisions Repealed
Section 11.06	Covenant of Due Procedure, Etc.
Section 11.07	Effective Date
Section 11.08	Statutory Notice and Public Hearing

SIGNATURES
CERTIFICATION
EXHIBIT A

PUTNAM COUNTY BUILDING COMMISSION

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF A NEW PUBLIC WATERWORKS SYSTEM OF THE PUTNAM COUNTY BUILDING COMMISSION AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE ISSUER OF NOT MORE THAN \$2,914,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS LEASE REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE PUTNAM COUNTY BUILDING COMMISSION:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 33, certain provisions of Chapter 8, Article 16 and Chapter 31, Article 15 A of the West Virginia Code of 1931, as amended (collectively with the Act), and other applicable provisions of law.

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

A. The Putnam County Building Commission (the "Issuer") is a public corporation with perpetual existence and a county building commission within the meaning of the Act, duly created pursuant to a resolution adopted by The County Commission of Putnam County (the "County Commission" or "Lessee") on August 28, 1980.

B. The Issuer does presently own a public waterworks system which is operated by West Virginia-American Water Company pursuant to a 2000 A Operations and

Maintenance Agreement and a 2000 B Operations and Maintenance Agreement. It is deemed necessary and desirable for the health and welfare of the inhabitants of Putnam County that there be acquired and constructed extensions and betterments to the existing public waterworks system of the Issuer, consisting of construction of fourteen miles of water line to serve seven areas of Putnam County including Woods Drive, Beech Hill, Old Delta Road, Dry Branch, Lake Hollow-Sycamore Ridge, Panther Lick Road and Lime Kiln Road, together with all appurtenant facilities, (collectively, the "Project" or the "Series 2008 A Facilities"), to be leased to the County Commission pursuant to an Agreement and Lease of Series 2008 A Facilities (the "Lease").

C. The Issuer and the County Commission have determined that the Series 2008 A Facilities should be operated, maintained, repaired and replaced by West Virginia-American Water Company, a West Virginia corporation (the "Company"), pursuant to the terms of an Agreement by and among the Issuer, the County Commission and the Company, executed on January 26, 2000 as amended, (collectively, the "2000 B / 2008 A O&M Agreement"). The Issuer and the County Commission have also determined that the customers served by the Series 2008 A Facilities should pay a monthly surcharge to the County Commission (the "Surcharges"), which Surcharges have been approved by the Public Service Commission of West Virginia.

D. The County Commission, has provided the Issuer with plans and specifications for the acquisition, construction and equipping of the Project, which plans and specifications have been prepared by the Consulting Engineers and have heretofore been filed with the Issuer.

E. The Issuer will receive all of its Revenues (hereinafter defined) from the County Commission under and pursuant to the Lease (hereinafter defined). The Revenues will be sufficient to pay all costs of operation and maintenance of the System, to pay the principal of and interest, if any, on the Series 2008 A Bonds (hereinafter defined) and to make payments into all funds and accounts and other payments provided for herein.

F. The Company will obtain, and pay the fees associated with, letters of credit, surety bonds or other credit facilities to fund the Series 2008 A Bonds reserve Account (as hereinafter defined) for the benefit of the Commission, to be drawn upon in the event at any time payments under the Lease are inadequate to provide funds for the Issuer to make all payments required hereunder. In the event the Company will not obtain such letters of credit, surety bonds or other credit facilities, the Issuer shall obtain such letters of credit, surety bonds or other credit facilities or fund the Series 2008 A Bonds reserve Account in the amount required herein and in the Loan Agreement.

G. It is deemed necessary for the Issuer to issue its Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than \$2,914,000 (the "Series 2008 A Bonds"), initially to be represented by a single bond, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2008 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; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the West Virginia Water Development Authority (the "Authority"), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2008 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2008 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

H. The period of usefulness of the Series 2008 A Facilities after completion of the Project is not less than 40 years.

I. It is in the best interests of the Issuer that its Series 2008 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into by and between the Issuer and the Authority on behalf of the West Virginia Infrastructure & Jobs Development Council (the "Council"), in form satisfactory to the Issuer, the Authority and the Council, as shall be approved by supplemental resolution of the Issuer.

J. There are outstanding bonds of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge, source of and security for payment being the Issuer's Waterworks Lease Revenue Bonds, Series 2000 B (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$3,800,000 (the "Series 2000 B Bonds" or the "Prior Bonds").

The Series 2008 A Bonds shall be issued on a parity with the Prior Bonds. Prior to the issuance of the Series 2008 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2008 A Bonds on a parity with the Prior Bonds.

Other than the Prior Bonds, there are outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System being the Issuer's Water Revenue Bonds, Series 2000 A (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$6,610,000. These bonds are secured by an annual use fee from the Company as outlined in the Series 2000 A O&M Agreement which use fee is not dedicated to the repayment of the Series 2000 B Bonds or the Series 2008 A Bonds.

K. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Series 2008 A Facilities and issuance of the Series 2008 A Bonds, or will

have so complied prior to issuance of any thereof, including, among other things, the approval of the Project by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the date of issuance of the Series 2008 A Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2008 A Bonds by the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 8, Article 33, certain provisions of Chapter 8, Article 16 and Chapter 31, Article 15 A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2008 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means the Series 2008 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Chairman" means the Chairman of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2008 A Bonds for the proceeds representing the purchase price of the Series 2008 A Bonds from the Authority.

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

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

"Company" means West Virginia-American Water Company, a West Virginia corporation.

"Consulting Engineers" means Terradon Corporation, Nitro, 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 Series 2008 A Facilities or any portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided, however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions.

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

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

"County Commission" or "Lessee" means The County Commission of Putnam County, Putnam County, West Virginia, a political subdivision of the State of West Virginia.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

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

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

"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.

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

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the Series 2008 A Facilities or for any other purpose except keeping the accounts of the Series 2008 A Facilities in the normal operation of its business and affairs.

"Issuer" or "Lessor" means the Putnam County Building Commission, a public corporation with perpetual existence and a county building commission within the meaning of the Act, and, as appropriate, its lessee's, agents and assigns.

"Lease" means the Agreement and Lease of Series 2008 A Facilities, of even date herewith, by and between the Issuer as lessor and the County Commission as lessee, all amendments thereof and supplements thereto and any subsequent lease or leases of all or any portion of the Project.

"Lease Term" shall have the meaning assigned to such term under Section 5.01 of the Lease.

"Loan Agreement" means the Loan Agreement to be entered into between the Issuer and the Authority of behalf of the Council, providing for the purchase of the Series 2008 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 2008 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any.

"2000 A O & M Agreement" means the Agreement between the Issuer and the Company, executed on January 26, 2000 with respect to the Series 2000 A Bonds.

"2000 B/2008 A O & M Agreement" means collectively, the Agreement among the Issuer, the County Commission and the Company, executed on January 26, 2000, as amended, relating to the acquisition, construction and equipping of the Project and the subsequent operation, maintenance, repair and replacement of the Series 2000 B Facilities and the Series 2008 A Facilities, as it may be amended from time to time and as approved by the Public Service Commission of West Virginia.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Series 2008 A Facilities, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 2008 A 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 or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Series 2000 B Bonds.

"Prior Ordinance" means the ordinance of the Issuer authorizing the Prior Bonds.

"Project" or "Series 2008 A Facilities" means the Project as described in Section 1.02B hereof.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for

Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 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.

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

"Registrar" means the Bond Registrar.

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

"Revenues" means all Rent to be paid to or on behalf of the Issuer by the County Commission under the Lease, as such term is defined in the Lease; provided that, in the event the Lease is terminated, Revenues shall include all receipts, revenues, income and other monies from the subsequent leasing, subleasing, operation, management, sale or other disposition of the Series 2008 A Facilities, or any part thereof, and all Surcharges, and all rights to receive the same, determined in accordance with generally accepted accounting principles.

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

"Secretary" means the Secretary of the Issuer.

"Series 2000 A Bonds" means the Issuer's Water Revenue Bonds, Series 2000 A (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$6,610,000.

"Series 2000 B Bonds" means the Issuer's Waterworks Lease Revenue Bonds, Series 2000 B (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$3,800,000.

"Series 2008 A Bonds" means the Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2008 A Bonds Construction Trust Fund" means the Series 2008 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2008 A Bonds Sinking Fund" means the Series 2008 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2008 A Bonds Reserve Account" means the Series 2008 A Bonds Reserve account established by section 5.02 hereof.

"Series 2000 B Facilities" means the project described in the Prior Ordinance.

"Series 2008 A Facilities" means the Project and any further additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2008 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2008 A Bonds and not so included, may be included in another Supplemental Resolution.

"Surcharges" means those monthly surcharges paid by customers of the Series 2008 A Facilities to the County Commission, which have been approved by the West Virginia Public Service Commission.

"System" means collectively, the Series 2000 B Facilities and the Series 2008 A Facilities.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$3,195,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineer, heretofore filed in the office of the Issuer. The proceeds of the Series 2008 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated not to exceed \$3,195,000, of which \$2,914,000 will be obtained from proceeds of the Series 2008 A Bonds and approximately \$281,000 will be obtained as a contribution from the Company.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2008 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2008 A Bonds of the Issuer. The Series 2008 A Bonds shall be issued as a single bond, designated "Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund)," in the principal amount of not more than \$2,914,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2008 A Bonds remaining after capitalizing interest on the Series 2008 A Bonds, if any, shall be deposited in or credited to the Series 2008 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2008 A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the 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, the Series 2008 A 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 2008 A Bonds, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2008 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 2008 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any 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 2008 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental

charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2008 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be 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 2008 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 Revenues as herein provided. No holder or holders of any of the Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2008 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2008 A Bonds shall be secured by a first lien on the Revenues on a parity with the Prior Bonds. Such Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2008 A Bonds and the Prior Bonds are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2008 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2008 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 2008 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 2008 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement;

E. A copy of the 2000 B/2008 A O&M Agreement, as amended; and

F. The unqualified approving opinion of bond counsel on the Series 2008 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2008 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
PUTNAM COUNTY BUILDING COMMISSION
WATERWORKS LEASE REVENUE BOND, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$2,914,000

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2008, the Putnam County Building Commission, a public corporation and political subdivision of the State of West Virginia in Putnam County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ 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, 20__ to and including _____ 1, 20__ 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"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "ACouncil"), 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 _____, 2008.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of a new public waterworks system of the Issuer (the "Project"); (ii) to fund the Series 2008 A Bonds reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The

Project, and any further additions, betterments or improvements thereto are herein called the "Series 2008 A Facilities." 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 8, Article 33, certain provisions of Chapter 8, Article 16, and Chapter 31, Article 15 A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2008, and a Supplemental Resolution duly adopted by the Issuer on _____, 2008 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATERWORKS LEASE REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JANUARY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,800,000 (THE "SERIES 2000 B BONDS" OR THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Revenues (as defined in the Bond Legislation) and unexpended proceeds of the Bonds on a parity with the pledge of Revenues in favor of the Holders of the Prior Bonds. The Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Revenues and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, in the event the 2000 B / 2008 A O&M Agreement or the Lease (as defined in the Bond Legislation) is terminated, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Series 2008 A Facilities and the services rendered thereby, and shall take all such actions necessary to provide funds, 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 on the Bonds payable in any year, and all other obligations on a parity with the Bonds including the Prior Bonds; provided, however, that so long as there exists in the Reserve Account created for the Bonds, an amount equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds including the Prior Bonds, an amount equal to the requirements therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the PUTNAM COUNTY BUILDING COMMISSION
has caused this Bond to be signed by its Chairman, and its corporate seal to be hereunto affixed
and attested by its Secretary, and has caused this Bond to be dated the day and year first written
above.

[SEAL]

Chairman

ATTEST:

Secretary

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B
SCHEDULE OF ANNUAL DEBT SERVICE

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2008 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority and the Council a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if established by Prior Ordinance) 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 Ordinance);
- (2) Renewal and Replacement Fund (established by Prior Ordinance); and
- (3) Series 2008 A Bonds Construction Trust Fund.

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

- (1) Series 2000 B Bonds Sinking Fund (established by Prior Ordinance);
- (2) Series 2000 B Bonds Reserve Account (established by Prior Ordinance and only in the event the 2000 B / 2008 A O&M Agreement or the Lease is terminated);
- (3) Series 2008 A Bonds Sinking Fund; and
- (4) Series 2008 B Bonds Reserve Account.

Section 5.03. Revenues; Flow of Funds. A. The entire Revenues received by the Issuer shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

- (1) So long as the 2000 B/ 2008 A O&M Agreement is in effect, the Company shall be responsible for paying all Operating Expenses. In the event the 2000 B/ 2008 A O&M Agreement is terminated, the Issuer shall first, each month, pay from the Revenue Fund all Operating Expenses.

(2) The Issuer shall next, on the first day of each month shall remit to the Commission the amount required by Prior Ordinance to pay interest on the Series 2000 B Bonds.

(3) The Issuer shall next, on the first day of each month, simultaneously remit to the Commission (i) the amount required by Prior Ordinance to pay principal on the Series 2000 B Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2008 A Bonds, for deposit in the Series 2008 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2008 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 2008 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date

(4) The Issuer shall next, on the first day of each month simultaneously, transfer from the Revenue Fund and remit to (i) the Commission the amounts required by Prior Ordinance to be deposited in the Series 2000 B Bonds Reserve Account; and (ii) the Commission, commencing 3 months after the completion of construction of the Project, as certified by the Consulting Engineers, if not fully funded upon issuance of the Series 2008 A Bonds, for deposit in the Series 2008 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2008 A Bonds Reserve Requirement, until the amount in the Series 2008 A Bonds Reserve Account equals the Series 2008 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2008 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2008 A Bonds Reserve Requirement.

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, commencing with the first month in which any of the above payments shall be payable from the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to \$1,250.00. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and

disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System. In the event the 2000 B/2008 A O&M Agreement or the Lease is terminated, the Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of the month immediately following termination of the Series 2000 B/2008 A O&M Agreement or the Lease, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of all Revenues each month, exclusive of any payment for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such 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 2008 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2008 A Bonds as the same shall become due.

All investment earnings on moneys in the Series 2008 A Bonds Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2008 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2008 A Bonds, and then to the next ensuing principal payment due thereon, and, subsequently, for any lawful purpose of the System.

As and when additional Bonds ranking on a parity with the Series 2008 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account, if any, in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 2008 A Bonds Sinking Fund when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2008 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2008 A Bonds Sinking Fund created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2008 A Bonds Sinking Fund shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2008 A Bonds Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2008 A Bonds Sinking Fund shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Series 2008 A Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal and interest payments with respect to the Series 2008 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges, fees and expenses 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 sum insured by the maximum amounts insured by FDIC in any of the funds and accounts shall at all times be secured, to the full extent thereof

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2008 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2008 A Bonds, there shall be deposited with the Commission in the Series 2008 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2008 A Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2008 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2008 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2008 A Bonds.

C. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2008 A Bonds shall be expended as approved by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for costs of the Project shall be made monthly. Except as provided in Section 6.01 hereof, disbursements from the Series 2008 A Bonds Construction Trust Fund (except for the costs of issuance of the Series 2008 A Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer, stating:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 2008 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2008 A Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 2008 A Bonds Construction Trust Fund.

Pending such application, moneys in the Series 2008 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs have been paid, the Depository Bank shall transfer any moneys remaining in the Series 2008 A Bonds Construction Trust Fund to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments due on the Series 2008 A Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2008 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2008 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2008 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2008 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 Revenues pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2008 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2008 A Bonds shall be secured by a first lien on the Revenues on a parity with respect to the Prior Bonds. The Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2008 A Bonds and the Prior Bonds are hereby irrevocably pledged, in the manner provided herein, to the payments required under this Bond Legislation.

Section 7.04. Rates and Charges. The initial schedule of water rates and charges for the services and facilities of the System shall be those rates approved by the Public Service Commission of West Virginia, in the Commission Order entered on January 11, 2000, in Case No. 99-0674-PWD-PC-CN, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise permitted by State law or with the written consent of the Authority and the Council, and except as provided in the 2000 B / 2008 A O&M Agreement, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2008 A Bonds, immediately be remitted to the Commission for deposit in the Series 2008 A Bonds Sinking Fund, and, with the written permission of the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2008 A Bonds. Any balance remaining after the payment of all the Series 2008 A Bonds and interest thereon shall be remitted

to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and authorize the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders 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. Provided, however, that the provisions of this paragraph are superseded by the terms of the 2000 B / 2008 A O&M Agreement, so long as such Agreement is in effect.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever payable from the Revenues which rank prior to, or equally, as to lien on and source of and security for payment from such Revenues with the Series 2008 A Bonds, without the prior written consent of the Authority and the Council. All obligations issued by the Issuer after the issuance of the Series 2008 A Bonds and payable from the Revenues, except additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such Revenues and in all other respects, to the Series 2008 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2008 A Bonds, and the interest thereon, upon the Revenues, 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 or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds payable out of the revenues of the System, shall be issued after the issuance of the Series 2008 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereafter shall be on a parity in all respects with the Series 2008 A Bonds.

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

No such Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by 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 additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not 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 Bond Legislation then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the time

for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder of the Issuer prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate filed with the Recorder, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All the covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2008 A Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System, and their source of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Series 2008 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Series 2008 A Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or its agents and representatives, to inspect all books, documents, papers and records relating to the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the

Authority and the Council such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

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

The Issuer shall file with the Authority and the Council or any other original purchaser of the Series 2008 A Bonds and shall mail in each year to any Holder or Holders of the Series 2008 A Bonds requesting the same, an annual report containing the following:

- (A) A statement of Revenues and Operating Expenses.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations payable from the Revenues 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 thereto, and the Single Audit Act, or any successor thereto), and shall mail, upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2008 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2008 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 Bond Legislation and that the Revenues are adequate to meet the Issuer's Operating Expenses and debt service 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 its agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction of the Project, the Issuer shall also provide the Authority and the Council, or its agents and representatives, with access to the System 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. In the event the 2000 B / 2008 A O&M Agreement or the Lease is terminated, the Issuer shall fix and collect rates, fees and other charges for use of the System, shall adjust and increase such rates, fees and other charges and shall take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement. In such event, the Issuer shall establish rates and charges sufficient together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2008 A Bonds and the Prior Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2008 A Bonds including the Prior Bonds; provided that, in the event that an amount equal to or in excess of the Series 2008 A Bonds Reserve Requirement is on deposit in the Series 2008 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2008 A Bonds including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2008 A Bonds including the Prior Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. In the event the 2000 B / 2008 A O&M Agreement is terminated, the Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts

provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council 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 Council and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer 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 resident engineering services satisfactory to the Authority and the Council covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority and 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.

In the event the 2000 B / 2008 A O&M Agreement is terminated, the Issuer shall employ qualified operating personnel properly certified by the State to operate the System so long as any of the Series 2008 A Bonds or Prior Bonds are Outstanding.

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

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

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

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain, or cause to be carried under the 2000 B / 2008 A O&M Agreement, 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 and the Authority from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

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

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

(6) FIDELITY BONDS will be provided for every officer, member and employee of the Issuer having custody of the revenues

or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

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. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer shall complete, or cause to be completed, the Project as promptly as possible and operate and maintain, or cause to be operated and maintained under the 2000 B / 2008 A O&M Agreement, the System in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make all necessary repairs and replacements so long as the Series 2008 A Bonds are outstanding. To the extent maintenance is done by the Company, the Issuer shall enforce the provisions of the 2000 B / 2008 A O&M Agreement to fulfill this covenant.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement, the Act and all applicable laws, rules and regulations issued by the Authority and the Council, or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. Reserved.

Section 7.20. Securities Laws Compliance. The Issuer will provide the Authority and the Council, 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 and the Council may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2008 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2008 A Bonds held in "contingency" as set forth in the Schedule A attached to the Loan Agreement. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2008 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the and 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 ground breaking or dedication of the Project.

Section 7.22. Deed of Trust and Security Agreement. The Issuer shall grant for the benefit of the Authority a deed of trust and security interest in the Series 2008 A Facilities.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2008 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 Series 2008 A Bonds as a condition to issuance of the Series 2008 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 2008 A Bonds as may be necessary in order to maintain the status of the Series 2008 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 2008 A Bonds which would cause any bonds, the interest, if any, 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 2008 A Bonds are derived, to lose their status as tax-exempt

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 2008 A Bonds:

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Bond Legislation, 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 Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs under the Prior Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2008 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including, but not limited to, the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2008 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right, by appropriate legal proceedings, to

ARTICLE XI

MISCELLANEOUS

Section 11.01. **Amendment or Modification of Bond Legislation.** Prior to issuance of the Series 2008 A Bonds, this Ordinance may be amended or supplemented in any way by Supplemental Resolution. Following issuance of the Series 2008 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order 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. **Bond Legislation Constitutes Contract.** The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. **Severability of Invalid Provisions.** If any section, paragraph, clause or provision of this Ordinance 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 Ordinance, the Supplemental Resolution thereto, or the Series 2008 A Bonds.

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

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

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

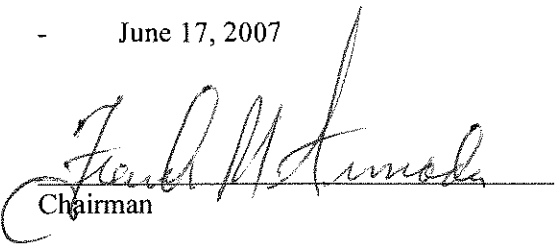
Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Issuer to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Charleston Gazette, a newspaper of general circulation in Putnam County, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Issuer upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Issuer for review by interested persons during office hours of the Issuer. At such hearing, all objections and suggestions shall be heard and the Issuer shall take such action as it shall deem proper in the premises.

Section 11.08. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Passed on First Reading: - May 20, 2008

Passed on Second Reading: - May 27, 2008

Passed on Final Reading
Following Public
Hearing: - June 17, 2007

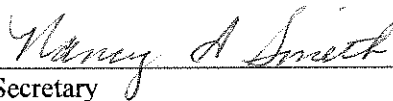

Chairman

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the PUTNAM COUNTY
BUILDING COMMISSION on the 17th day of June, 2008

Dated: July 23, 2008.

[SEAL]


Secretary

07.14.08
191700.00002

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 3]

PUTNAM COUNTY BUILDING COMMISSION

Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATERWORKS LEASE REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE PUTNAM COUNTY BUILDING COMMISSION; APPROVING AND RATIFYING THE 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 Board (the "Governing Body") of the Putnam County Building Commission (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective June 17, 2008 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF A NEW PUBLIC WATERWORKS SYSTEM OF THE PUTNAM COUNTY BUILDING COMMISSION AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE ISSUER OF NOT MORE THAN \$2,914,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS LEASE REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING

FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND
ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of the Issuer (the "Series 2008 A Bonds"), in the aggregate principal amount not to exceed \$2,914,000, and has authorized the execution and delivery of a loan agreement relating to the Series 2008 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 33, Chapter 8, Article 16 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2008 A Bonds should be established by a supplemental resolution pertaining to the Series 2008 A Bonds; and that other matters relating to the Series 2008 A Bonds be herein provided for;

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

WHEREAS, the Series 2008 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Series 2008 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2008 A Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF
THE PUTNAM COUNTY BUILDING COMMISSION, AS FOLLOWS:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the principal amount of \$2,914,000.

The Series 2008 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2048, and shall bear no interest. The principal of the Series 2008 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2010, to and including June 1, 2048, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2008 A Bonds and incorporated in and made a part of the Series 2008 A Bonds. The Series 2008 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the interest and 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 2008 A Bonds.

Section 2. All other provisions relating to the Series 2008 A Bonds and the text of the Series 2008 A Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Council and the Authority. The price of the Series 2008 A Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby authorize, approve and accept the Agreement and Lease of Series 2008 A Facilities, a copy of which is incorporated herein by reference and the execution and delivery of the Agreement and Lease of Series 2008 A Facilities 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 does hereby authorize, approve and accept the Deed of Trust, Security Agreement and Fixture Filing, a copy of which is incorporated herein by reference and the execution and delivery of the Deed of Trust, Security Agreement and Fixture Filing by the Chairman and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, directed and approved.

Section 6. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2008 A Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2008 A 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 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2008 A Bonds under the Bond Ordinance.

Section 8. The Issuer does hereby appoint and designate the Putnam County Bank, Winfield, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 9. Series 2008 A Bonds proceeds in an amount not to exceed \$75,689 shall be deposited in the Series 2008 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Series 2008 A Bonds shall be deposited in or credited to the Series 2008 A Bonds Construction Trust Fund for payment of the costs of the Project.

Section 11. The Chairman and the Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2008 A Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2008 A Bonds may be delivered on or about July 23, 2008, to the Authority pursuant to the Loan Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2008 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 14. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2008 A Bond Sinking Fund and the Series 2008 A Bond Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

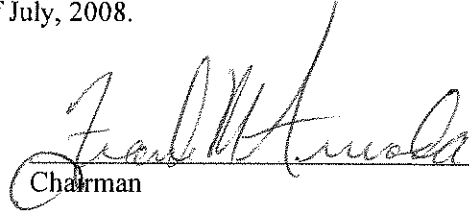
Section 15. The Issuer hereby designates the County Administrator to review and approve all draws on the Series 2008 A Bonds.

Section 16. The Issuer agrees and covenants not to provide services to any customers/residents in Kanawha County unless it has received the written consent of the County Commission of Kanawha County or it has received an order of the Public Service Commission of West Virginia ordering such service.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 15th day of July, 2008.


Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Board of
the Putnam County Building Commission on the 15th day of July, 2008

Dated: July 23, 2008.

[SEAL]


Secretary

07.14.08
191700.00002

CH4903240.2

Putnam County Building Commission (West Virginia)
WDA Loans (Loan Program III)
Series A (Use Fees)

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2000	-	-	204,291.88	204,291.88
12/01/2000	-	-	204,291.88	204,291.88
6/01/2001	35,000.00	4.350%	204,291.88	239,291.88
12/01/2001	-	-	203,530.63	203,530.63
6/01/2002	50,000.00	4.800%	203,530.63	253,530.63
12/01/2002	-	-	202,330.63	202,330.63
6/01/2003	55,000.00	5.000%	202,330.63	257,330.63
12/01/2003	-	-	200,955.63	200,955.63
6/01/2004	55,000.00	5.000%	200,955.63	255,955.63
12/01/2004	-	-	199,580.63	199,580.63
6/01/2005	60,000.00	5.125%	199,580.63	259,580.63
12/01/2005	-	-	198,043.13	198,043.13
6/01/2006	60,000.00	5.250%	198,043.13	258,043.13
12/01/2006	-	-	196,468.13	196,468.13
6/01/2007	65,000.00	5.375%	196,468.13	261,468.13
12/01/2007	-	-	194,721.25	194,721.25
6/01/2008	70,000.00	5.400%	194,721.25	264,721.25
12/01/2008	-	-	192,831.25	192,831.25
6/01/2009	70,000.00	5.500%	192,831.25	262,831.25
12/01/2009	-	-	190,906.25	190,906.25
6/01/2010	75,000.00	5.600%	190,906.25	265,906.25
12/01/2010	-	-	188,806.25	188,806.25
6/01/2011	80,000.00	6.000%	188,806.25	268,806.25
12/01/2011	-	-	186,406.25	186,406.25
6/01/2012	85,000.00	6.000%	186,406.25	271,406.25
12/01/2012	-	-	183,856.25	183,856.25
6/01/2013	90,000.00	6.000%	183,856.25	273,856.25
12/01/2013	-	-	181,156.25	181,156.25
6/01/2014	95,000.00	6.000%	181,156.25	276,156.25
12/01/2014	-	-	178,306.25	178,306.25
6/01/2015	100,000.00	6.000%	178,306.25	278,306.25
12/01/2015	-	-	175,306.25	175,306.25
6/01/2016	105,000.00	6.250%	175,306.25	280,306.25
12/01/2016	-	-	172,025.00	172,025.00
6/01/2017	115,000.00	6.250%	172,025.00	287,025.00
12/01/2017	-	-	168,431.25	168,431.25
6/01/2018	120,000.00	6.250%	168,431.25	288,431.25
12/01/2018	-	-	164,681.25	164,681.25
6/01/2019	125,000.00	6.250%	164,681.25	289,681.25
12/01/2019	-	-	160,775.00	160,775.00
6/01/2020	135,000.00	6.250%	160,775.00	295,775.00
12/01/2020	-	-	156,556.25	156,556.25
6/01/2021	145,000.00	6.125%	156,556.25	301,556.25
12/01/2021	-	-	152,115.63	152,115.63
6/01/2022	155,000.00	6.125%	152,115.63	307,115.63

Putnam County Building Commission (West Virginia)
WDA Loans (Loan Program III)
Series A (Use Fees)

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2022	-	-	147,368.75	147,368.75
6/01/2023	160,000.00	6.125%	147,368.75	307,368.75
12/01/2023	-	-	142,468.75	142,468.75
6/01/2024	170,000.00	6.125%	142,468.75	312,468.75
12/01/2024	-	-	137,262.50	137,262.50
6/01/2025	185,000.00	6.125%	137,262.50	322,262.50
12/01/2025	-	-	131,596.88	131,596.88
6/01/2026	195,000.00	6.250%	131,596.88	326,596.88
12/01/2026	-	-	125,503.13	125,503.13
6/01/2027	205,000.00	6.250%	125,503.13	330,503.13
12/01/2027	-	-	119,096.88	119,096.88
6/01/2028	220,000.00	6.250%	119,096.88	339,096.88
12/01/2028	-	-	112,221.88	112,221.88
6/01/2029	230,000.00	6.250%	112,221.88	342,221.88
12/01/2029	-	-	105,034.38	105,034.38
6/01/2030	245,000.00	6.250%	105,034.38	350,034.38
12/01/2030	-	-	97,378.13	97,378.13
6/01/2031	260,000.00	6.375%	97,378.13	357,378.13
12/01/2031	-	-	89,090.63	89,090.63
6/01/2032	280,000.00	6.375%	89,090.63	369,090.63
12/01/2032	-	-	80,165.63	80,165.63
6/01/2033	295,000.00	6.375%	80,165.63	375,165.63
12/01/2033	-	-	70,762.50	70,762.50
6/01/2034	315,000.00	6.375%	70,762.50	385,762.50
12/01/2034	-	-	60,721.88	60,721.88
6/01/2035	335,000.00	6.375%	60,721.88	395,721.88
12/01/2035	-	-	50,043.75	50,043.75
6/01/2036	355,000.00	6.375%	50,043.75	405,043.75
12/01/2036	-	-	38,728.13	38,728.13
6/01/2037	380,000.00	6.375%	38,728.13	418,728.13
12/01/2037	-	-	26,615.63	26,615.63
6/01/2038	405,000.00	6.375%	26,615.63	431,615.63
12/01/2038	-	-	13,706.25	13,706.25
6/01/2039	430,000.00	6.375%	13,706.25	443,706.25
Total	6,610,000.00	-	11,403,985.82	18,013,985.82

Ferris, Baker Watts, Inc.

West Virginia Public Finance Department

File = wda2000d.sf-Putnam-Putnam A

1/26/2000 9:28 AM

Putnam County Building Commission - 2005W-847

Compound Period: Quarterly

Nominal Annual Rate: 0.000%

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	7/23/2008	2,914,000.00	1		
2	Payment	3/1/2010	18,922.08	154	Quarterly	6/1/2048

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	7/23/2008				2,914,000.00
1	3/1/2010	18,922.08	0.00	18,922.08	2,895,077.92
2	6/1/2010	18,922.08	0.00	18,922.08	2,876,155.84
3	9/1/2010	18,922.08	0.00	18,922.08	2,857,233.76
4	12/1/2010	18,922.08	0.00	18,922.08	2,838,311.68
5	3/1/2011	18,922.08	0.00	18,922.08	2,819,389.60
6	6/1/2011	18,922.08	0.00	18,922.08	2,800,467.52
7	9/1/2011	18,922.08	0.00	18,922.08	2,781,545.44
8	12/1/2011	18,922.08	0.00	18,922.08	2,762,623.36
9	3/1/2012	18,922.08	0.00	18,922.08	2,743,701.28
10	6/1/2012	18,922.08	0.00	18,922.08	2,724,779.20
11	9/1/2012	18,922.08	0.00	18,922.08	2,705,857.12
12	12/1/2012	18,922.08	0.00	18,922.08	2,686,935.04
13	3/1/2013	18,922.08	0.00	18,922.08	2,668,012.96
14	6/1/2013	18,922.08	0.00	18,922.08	2,649,090.88
15	9/1/2013	18,922.08	0.00	18,922.08	2,630,168.80
16	12/1/2013	18,922.08	0.00	18,922.08	2,611,246.72
17	3/1/2014	18,922.08	0.00	18,922.08	2,592,324.64
18	6/1/2014	18,922.08	0.00	18,922.08	2,573,402.56
19	9/1/2014	18,922.08	0.00	18,922.08	2,554,480.48
20	12/1/2014	18,922.08	0.00	18,922.08	2,535,558.40
21	3/1/2015	18,922.08	0.00	18,922.08	2,516,636.32
22	6/1/2015	18,922.08	0.00	18,922.08	2,497,714.24
23	9/1/2015	18,922.08	0.00	18,922.08	2,478,792.16
24	12/1/2015	18,922.08	0.00	18,922.08	2,459,870.08
25	3/1/2016	18,922.08	0.00	18,922.08	2,440,948.00
26	6/1/2016	18,922.08	0.00	18,922.08	2,422,025.92
27	9/1/2016	18,922.08	0.00	18,922.08	2,403,103.84
28	12/1/2016	18,922.08	0.00	18,922.08	2,384,181.76
29	3/1/2017	18,922.08	0.00	18,922.08	2,365,259.68
30	6/1/2017	18,922.08	0.00	18,922.08	2,346,337.60
31	9/1/2017	18,922.08	0.00	18,922.08	2,327,415.52
32	12/1/2017	18,922.08	0.00	18,922.08	2,308,493.44

33	3/1/2018	18,922.08	0.00	18,922.08	2,289,571.36
34	6/1/2018	18,922.08	0.00	18,922.08	2,270,649.28
35	9/1/2018	18,922.08	0.00	18,922.08	2,251,727.20
36	12/1/2018	18,922.08	0.00	18,922.08	2,232,805.12
37	3/1/2019	18,922.08	0.00	18,922.08	2,213,883.04
38	6/1/2019	18,922.08	0.00	18,922.08	2,194,960.96
39	9/1/2019	18,922.08	0.00	18,922.08	2,176,038.88
40	12/1/2019	18,922.08	0.00	18,922.08	2,157,116.80
41	3/1/2020	18,922.08	0.00	18,922.08	2,138,194.72
42	6/1/2020	18,922.08	0.00	18,922.08	2,119,272.64
43	9/1/2020	18,922.08	0.00	18,922.08	2,100,350.56
44	12/1/2020	18,922.08	0.00	18,922.08	2,081,428.48
45	3/1/2021	18,922.08	0.00	18,922.08	2,062,506.40
46	6/1/2021	18,922.08	0.00	18,922.08	2,043,584.32
47	9/1/2021	18,922.08	0.00	18,922.08	2,024,662.24
48	12/1/2021	18,922.08	0.00	18,922.08	2,005,740.16
49	3/1/2022	18,922.08	0.00	18,922.08	1,986,818.08
50	6/1/2022	18,922.08	0.00	18,922.08	1,967,896.00
51	9/1/2022	18,922.08	0.00	18,922.08	1,948,973.92
52	12/1/2022	18,922.08	0.00	18,922.08	1,930,051.84
53	3/1/2023	18,922.08	0.00	18,922.08	1,911,129.76
54	6/1/2023	18,922.08	0.00	18,922.08	1,892,207.68
55	9/1/2023	18,922.08	0.00	18,922.08	1,873,285.60
56	12/1/2023	18,922.08	0.00	18,922.08	1,854,363.52
57	3/1/2024	18,922.08	0.00	18,922.08	1,835,441.44
58	6/1/2024	18,922.08	0.00	18,922.08	1,816,519.36
59	9/1/2024	18,922.08	0.00	18,922.08	1,797,597.28
60	12/1/2024	18,922.08	0.00	18,922.08	1,778,675.20
61	3/1/2025	18,922.08	0.00	18,922.08	1,759,753.12
62	6/1/2025	18,922.08	0.00	18,922.08	1,740,831.04
63	9/1/2025	18,922.08	0.00	18,922.08	1,721,908.96
64	12/1/2025	18,922.08	0.00	18,922.08	1,702,986.88
65	3/1/2026	18,922.08	0.00	18,922.08	1,684,064.80
66	6/1/2026	18,922.08	0.00	18,922.08	1,665,142.72
67	9/1/2026	18,922.08	0.00	18,922.08	1,646,220.64
68	12/1/2026	18,922.08	0.00	18,922.08	1,627,298.56
69	3/1/2027	18,922.08	0.00	18,922.08	1,608,376.48
70	6/1/2027	18,922.08	0.00	18,922.08	1,589,454.40
71	9/1/2027	18,922.08	0.00	18,922.08	1,570,532.32
72	12/1/2027	18,922.08	0.00	18,922.08	1,551,610.24
73	3/1/2028	18,922.08	0.00	18,922.08	1,532,688.16
74	6/1/2028	18,922.08	0.00	18,922.08	1,513,766.08
75	9/1/2028	18,922.08	0.00	18,922.08	1,494,844.00
76	12/1/2028	18,922.08	0.00	18,922.08	1,475,921.92
77	3/1/2029	18,922.08	0.00	18,922.08	1,456,999.84
78	6/1/2029	18,922.08	0.00	18,922.08	1,438,077.76
79	9/1/2029	18,922.08	0.00	18,922.08	1,419,155.68
80	12/1/2029	18,922.08	0.00	18,922.08	1,400,233.60
81	3/1/2030	18,922.08	0.00	18,922.08	1,381,311.52
82	6/1/2030	18,922.08	0.00	18,922.08	1,362,389.44

83	9/1/2030	18,922.08	0.00	18,922.08	1,343,467.36
84	12/1/2030	18,922.08	0.00	18,922.08	1,324,545.28
85	3/1/2031	18,922.08	0.00	18,922.08	1,305,623.20
86	6/1/2031	18,922.08	0.00	18,922.08	1,286,701.12
87	9/1/2031	18,922.08	0.00	18,922.08	1,267,779.04
88	12/1/2031	18,922.08	0.00	18,922.08	1,248,856.96
89	3/1/2032	18,922.08	0.00	18,922.08	1,229,934.88
90	6/1/2032	18,922.08	0.00	18,922.08	1,211,012.80
91	9/1/2032	18,922.08	0.00	18,922.08	1,192,090.72
92	12/1/2032	18,922.08	0.00	18,922.08	1,173,168.64
93	3/1/2033	18,922.08	0.00	18,922.08	1,154,246.56
94	6/1/2033	18,922.08	0.00	18,922.08	1,135,324.48
95	9/1/2033	18,922.08	0.00	18,922.08	1,116,402.40
96	12/1/2033	18,922.08	0.00	18,922.08	1,097,480.32
97	3/1/2034	18,922.08	0.00	18,922.08	1,078,558.24
98	6/1/2034	18,922.08	0.00	18,922.08	1,059,636.16
99	9/1/2034	18,922.08	0.00	18,922.08	1,040,714.08
100	12/1/2034	18,922.08	0.00	18,922.08	1,021,792.00
101	3/1/2035	18,922.08	0.00	18,922.08	1,002,869.92
102	6/1/2035	18,922.08	0.00	18,922.08	983,947.84
103	9/1/2035	18,922.08	0.00	18,922.08	965,025.76
104	12/1/2035	18,922.08	0.00	18,922.08	946,103.68
105	3/1/2036	18,922.08	0.00	18,922.08	927,181.60
106	6/1/2036	18,922.08	0.00	18,922.08	908,259.52
107	9/1/2036	18,922.08	0.00	18,922.08	889,337.44
108	12/1/2036	18,922.08	0.00	18,922.08	870,415.36
109	3/1/2037	18,922.08	0.00	18,922.08	851,493.28
110	6/1/2037	18,922.08	0.00	18,922.08	832,571.20
111	9/1/2037	18,922.08	0.00	18,922.08	813,649.12
112	12/1/2037	18,922.08	0.00	18,922.08	794,727.04
113	3/1/2038	18,922.08	0.00	18,922.08	775,804.96
114	6/1/2038	18,922.08	0.00	18,922.08	756,882.88
115	9/1/2038	18,922.08	0.00	18,922.08	737,960.80
116	12/1/2038	18,922.08	0.00	18,922.08	719,038.72
117	3/1/2039	18,922.08	0.00	18,922.08	700,116.64
118	6/1/2039	18,922.08	0.00	18,922.08	681,194.56
119	9/1/2039	18,922.08	0.00	18,922.08	662,272.48
120	12/1/2039	18,922.08	0.00	18,922.08	643,350.40
121	3/1/2040	18,922.08	0.00	18,922.08	624,428.32
122	6/1/2040	18,922.08	0.00	18,922.08	605,506.24
123	9/1/2040	18,922.08	0.00	18,922.08	586,584.16
124	12/1/2040	18,922.08	0.00	18,922.08	567,662.08
125	3/1/2041	18,922.08	0.00	18,922.08	548,740.00
126	6/1/2041	18,922.08	0.00	18,922.08	529,817.92
127	9/1/2041	18,922.08	0.00	18,922.08	510,895.84
128	12/1/2041	18,922.08	0.00	18,922.08	491,973.76
129	3/1/2042	18,922.08	0.00	18,922.08	473,051.68
130	6/1/2042	18,922.08	0.00	18,922.08	454,129.60
131	9/1/2042	18,922.08	0.00	18,922.08	435,207.52
132	12/1/2042	18,922.08	0.00	18,922.08	416,285.44

133	3/1/2043	18,922.08	0.00	18,922.08	397,363.36
134	6/1/2043	18,922.08	0.00	18,922.08	378,441.28
135	9/1/2043	18,922.08	0.00	18,922.08	359,519.20
136	12/1/2043	18,922.08	0.00	18,922.08	340,597.12
137	3/1/2044	18,922.08	0.00	18,922.08	321,675.04
138	6/1/2044	18,922.08	0.00	18,922.08	302,752.96
139	9/1/2044	18,922.08	0.00	18,922.08	283,830.88
140	12/1/2044	18,922.08	0.00	18,922.08	264,908.80
141	3/1/2045	18,922.08	0.00	18,922.08	245,986.72
142	6/1/2045	18,922.08	0.00	18,922.08	227,064.64
143	9/1/2045	18,922.08	0.00	18,922.08	208,142.56
144	12/1/2045	18,922.08	0.00	18,922.08	189,220.48
145	3/1/2046	18,922.08	0.00	18,922.08	170,298.40
146	6/1/2046	18,922.08	0.00	18,922.08	151,376.32
147	9/1/2046	18,922.08	0.00	18,922.08	132,454.24
148	12/1/2046	18,922.08	0.00	18,922.08	113,532.16
149	3/1/2047	18,922.08	0.00	18,922.08	94,610.08
150	6/1/2047	18,922.08	0.00	18,922.08	75,688.00
151	9/1/2047	18,922.08	0.00	18,922.08	56,765.92
152	12/1/2047	18,922.08	0.00	18,922.08	37,843.84
153	3/1/2048	18,922.08	0.00	18,922.08	18,921.76
154	6/1/2048	18,921.76	0.00	18,921.76	0.00
Grand Totals		2,914,000.00	0.00	2,914,000.00	

STATE OF WEST VIRGINIA, Putnam
County Commission Clerk's Office
08/26/2008. The foregoing Lease together
with the certificate of its acknowledgment,
was this day presented in said office and
admitted to record.

Teste: *[Signature]* Clerk

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").

PUTNAM COUNTY BUILDING COMMISSION

(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,

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as

possible to the designated date and mutually agreeable to the Authority, the Council and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority or such later date as is agreed to in writing by the Council.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the AReserve 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 AReserve Requirement@), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds

outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

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

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

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

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

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

revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

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

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

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

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

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

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

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the West Virginia Jobs Act) and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor (ADOL); 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.

PUTNAM COUNTY BUILDING
COMMISSION

(SEAL)

Attest:

Nancy A. Smith
Its: Secretary

By: Frank M. Arnold
Its: Chairman
Date: July 23, 2008

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

Attest:

Barbara B. Meadows
Its: Secretary-Treasurer

By: [Signature]
Its: Executive Director
Date: July 23, 2008

{C1378842.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that all

¹If 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 _____,

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

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

[SEAL]

By: _____
West Virginia License No. _____

Esq.] and delete Amy firm has ascertained that@.

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
<u>Type of Issue</u>				
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
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$

Principal \$

Total: \$

Reserve Account: \$

Witness my signature this ____ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$2,914,000
Purchase Price of Local Bonds \$2,914,000

The Local Bonds shall bear no interest. Commencing March 1, 2010, principal 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 submit its payments monthly to the Commission which will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

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

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

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

Putnam County Building Commission Waterworks Lease Revenue Bonds, Series 2000 B (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$3,800,000.

\$2,914,000**SCHEDULE Y**

Putnam County Building Commission

0% Interest Rate; 40 Years

Closing Date: July 23, 2008

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	-	-	-
12/01/2009	-	-	-
03/01/2010	18,923.00	-	18,923.00
06/01/2010	18,923.00	-	18,923.00
09/01/2010	18,923.00	-	18,923.00
12/01/2010	18,923.00	-	18,923.00
03/01/2011	18,923.00	-	18,923.00
06/01/2011	18,923.00	-	18,923.00
09/01/2011	18,923.00	-	18,923.00
12/01/2011	18,923.00	-	18,923.00
03/01/2012	18,923.00	-	18,923.00
06/01/2012	18,923.00	-	18,923.00
09/01/2012	18,923.00	-	18,923.00
12/01/2012	18,923.00	-	18,923.00
03/01/2013	18,922.00	-	18,922.00
06/01/2013	18,922.00	-	18,922.00
09/01/2013	18,922.00	-	18,922.00
12/01/2013	18,922.00	-	18,922.00
03/01/2014	18,922.00	-	18,922.00
06/01/2014	18,922.00	-	18,922.00
09/01/2014	18,922.00	-	18,922.00
12/01/2014	18,922.00	-	18,922.00
03/01/2015	18,922.00	-	18,922.00
06/01/2015	18,922.00	-	18,922.00
09/01/2015	18,922.00	-	18,922.00
12/01/2015	18,922.00	-	18,922.00
03/01/2016	18,922.00	-	18,922.00
06/01/2016	18,922.00	-	18,922.00
09/01/2016	18,922.00	-	18,922.00
12/01/2016	18,922.00	-	18,922.00
03/01/2017	18,922.00	-	18,922.00
06/01/2017	18,922.00	-	18,922.00
09/01/2017	18,922.00	-	18,922.00
12/01/2017	18,922.00	-	18,922.00
03/01/2018	18,922.00	-	18,922.00
06/01/2018	18,922.00	-	18,922.00
09/01/2018	18,922.00	-	18,922.00
12/01/2018	18,922.00	-	18,922.00
03/01/2019	18,922.00	-	18,922.00
06/01/2019	18,922.00	-	18,922.00

\$2,914,000

SCHEDULE Y

Putnam County Building Commission

0% Interest Rate; 40 Years

Closing Date: July 23, 2008

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2019	18,922.00	-	18,922.00
12/01/2019	18,922.00	-	18,922.00
03/01/2020	18,922.00	-	18,922.00
06/01/2020	18,922.00	-	18,922.00
09/01/2020	18,922.00	-	18,922.00
12/01/2020	18,922.00	-	18,922.00
03/01/2021	18,922.00	-	18,922.00
06/01/2021	18,922.00	-	18,922.00
09/01/2021	18,922.00	-	18,922.00
12/01/2021	18,922.00	-	18,922.00
03/01/2022	18,922.00	-	18,922.00
06/01/2022	18,922.00	-	18,922.00
09/01/2022	18,922.00	-	18,922.00
12/01/2022	18,922.00	-	18,922.00
03/01/2023	18,922.00	-	18,922.00
06/01/2023	18,922.00	-	18,922.00
09/01/2023	18,922.00	-	18,922.00
12/01/2023	18,922.00	-	18,922.00
03/01/2024	18,922.00	-	18,922.00
06/01/2024	18,922.00	-	18,922.00
09/01/2024	18,922.00	-	18,922.00
12/01/2024	18,922.00	-	18,922.00
03/01/2025	18,922.00	-	18,922.00
06/01/2025	18,922.00	-	18,922.00
09/01/2025	18,922.00	-	18,922.00
12/01/2025	18,922.00	-	18,922.00
03/01/2026	18,922.00	-	18,922.00
06/01/2026	18,922.00	-	18,922.00
09/01/2026	18,922.00	-	18,922.00
12/01/2026	18,922.00	-	18,922.00
03/01/2027	18,922.00	-	18,922.00
06/01/2027	18,922.00	-	18,922.00
09/01/2027	18,922.00	-	18,922.00
12/01/2027	18,922.00	-	18,922.00
03/01/2028	18,922.00	-	18,922.00
06/01/2028	18,922.00	-	18,922.00
09/01/2028	18,922.00	-	18,922.00
12/01/2028	18,922.00	-	18,922.00
03/01/2029	18,922.00	-	18,922.00
06/01/2029	18,922.00	-	18,922.00
09/01/2029	18,922.00	-	18,922.00
12/01/2029	18,922.00	-	18,922.00
03/01/2030	18,922.00	-	18,922.00
06/01/2030	18,922.00	-	18,922.00

IF 7-21-08 | SINGLE PURPOSE | 7/21/2008 | 2:17 PM

Raymond James & Associates, Inc.
West Virginia Public Finance

\$2,914,000

SCHEDULE Y

Putnam County Building Commission

0% Interest Rate; 40 Years

Closing Date: July 23, 2008

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2030	18,922.00	-	18,922.00
12/01/2030	18,922.00	-	18,922.00
03/01/2031	18,922.00	-	18,922.00
06/01/2031	18,922.00	-	18,922.00
09/01/2031	18,922.00	-	18,922.00
12/01/2031	18,922.00	-	18,922.00
03/01/2032	18,922.00	-	18,922.00
06/01/2032	18,922.00	-	18,922.00
09/01/2032	18,922.00	-	18,922.00
12/01/2032	18,922.00	-	18,922.00
03/01/2033	18,922.00	-	18,922.00
06/01/2033	18,922.00	-	18,922.00
09/01/2033	18,922.00	-	18,922.00
12/01/2033	18,922.00	-	18,922.00
03/01/2034	18,922.00	-	18,922.00
06/01/2034	18,922.00	-	18,922.00
09/01/2034	18,922.00	-	18,922.00
12/01/2034	18,922.00	-	18,922.00
03/01/2035	18,922.00	-	18,922.00
06/01/2035	18,922.00	-	18,922.00
09/01/2035	18,922.00	-	18,922.00
12/01/2035	18,922.00	-	18,922.00
03/01/2036	18,922.00	-	18,922.00
06/01/2036	18,922.00	-	18,922.00
09/01/2036	18,922.00	-	18,922.00
12/01/2036	18,922.00	-	18,922.00
03/01/2037	18,922.00	-	18,922.00
06/01/2037	18,922.00	-	18,922.00
09/01/2037	18,922.00	-	18,922.00
12/01/2037	18,922.00	-	18,922.00
03/01/2038	18,922.00	-	18,922.00
06/01/2038	18,922.00	-	18,922.00
09/01/2038	18,922.00	-	18,922.00
12/01/2038	18,922.00	-	18,922.00
03/01/2039	18,922.00	-	18,922.00
06/01/2039	18,922.00	-	18,922.00
09/01/2039	18,922.00	-	18,922.00
12/01/2039	18,922.00	-	18,922.00
03/01/2040	18,922.00	-	18,922.00
06/01/2040	18,922.00	-	18,922.00
09/01/2040	18,922.00	-	18,922.00
12/01/2040	18,922.00	-	18,922.00
03/01/2041	18,922.00	-	18,922.00
06/01/2041	18,922.00	-	18,922.00
		-	18,922.00

IF 7-21-08 | SINGLE PURPOSE | 7/21/2008 | 2:17 PM

Raymond James & Associates, Inc.
West Virginia Public Finance

\$2,914,000

SCHEDULE Y

Putnam County Building Commission

0% Interest Rate; 40 Years

Closing Date: July 23, 2008

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2041	18,922.00	-	18,922.00
12/01/2041	18,922.00	-	18,922.00
03/01/2042	18,922.00	-	18,922.00
06/01/2042	18,922.00	-	18,922.00
09/01/2042	18,922.00	-	18,922.00
12/01/2042	18,922.00	-	18,922.00
03/01/2043	18,922.00	-	18,922.00
06/01/2043	18,922.00	-	18,922.00
09/01/2043	18,922.00	-	18,922.00
12/01/2043	18,922.00	-	18,922.00
03/01/2044	18,922.00	-	18,922.00
06/01/2044	18,922.00	-	18,922.00
09/01/2044	18,922.00	-	18,922.00
12/01/2044	18,922.00	-	18,922.00
03/01/2045	18,922.00	-	18,922.00
06/01/2045	18,922.00	-	18,922.00
09/01/2045	18,922.00	-	18,922.00
12/01/2045	18,922.00	-	18,922.00
03/01/2046	18,922.00	-	18,922.00
06/01/2046	18,922.00	-	18,922.00
09/01/2046	18,922.00	-	18,922.00
12/01/2046	18,922.00	-	18,922.00
03/01/2047	18,922.00	-	18,922.00
06/01/2047	18,922.00	-	18,922.00
09/01/2047	18,922.00	-	18,922.00
12/01/2047	18,922.00	-	18,922.00
03/01/2048	18,922.00	-	18,922.00
06/01/2048	18,922.00	-	18,922.00
Total	\$2,914,000.00	-	\$2,914,000.00

Yield Statistics

Bond Year Dollars	\$60,408.63
Average Life	20.730 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.03E-10
Bond Yield for Arbitrage Purposes	1.03E-10
All Inclusive Cost (AIC)	1.03E-10

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.730 Years

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
PUTNAM COUNTY BUILDING COMMISSION
WATERWORKS LEASE REVENUE BOND, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$2,914,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 23rd day of July, 2008, the Putnam County Building Commission, a public corporation and political subdivision of the State of West Virginia in Putnam County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO MILLION NINE HUNDRED FOURTEEN THOUSAND DOLLARS (\$2,914,000), 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, 2010 to and including June 1, 2048 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"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and 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 July 23, 2008.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of a new public waterworks system of the Issuer (the "Project"); (ii) to fund the Series 2008 A Bonds reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The Project, and any further additions, betterments or improvements thereto are herein called the "Series 2008 A Facilities." 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 8, Article 33, certain provisions of Chapter 8, Article 16, and Chapter 31, Article 15 A of the West Virginia Code of 1931, as amended (collectively, the "Act"),

and a Bond Ordinance duly enacted by the Issuer on June 17, 2008, and a Supplemental Resolution duly adopted by the Issuer on July 15, 2008 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATERWORKS LEASE REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JANUARY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,800,000 (THE "SERIES 2000 B BONDS" OR THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Revenues (as defined in the Bond Legislation) and unexpended proceeds of the Bonds on a parity with the pledge of Revenues in favor of the Holders of the Prior Bonds. The Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Revenues and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, in the event the 2000 B / 2008 A O&M Agreement or the Lease (as defined in the Bond Legislation) is terminated, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Series 2008 A Facilities and the services rendered thereby, and shall take all such actions necessary to provide funds, 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 on the Bonds payable in any year, and all other obligations on a parity with the Bonds including the Prior Bonds; provided, however, that so long as there exists in the Reserve Account created for the Bonds, an amount equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds including the Prior Bonds, an amount equal to the requirements therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

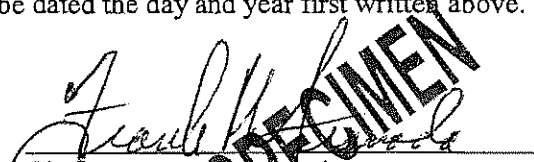
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond,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

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

[Remainder of Page Intentionally Blank]

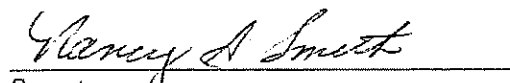
IN WITNESS WHEREOF, the PUTNAM COUNTY BUILDING COMMISSION has caused this Bond to be signed by its Chairman, and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

[SEAL]


Chairman

SPECIMEN

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: July 23, 2008.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$113,189	July 23, 2008	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

EXHIBIT B
SCHEDULE OF ANNUAL DEBT SERVICE

\$2,914,000

Putnam County Building Commission (West Virginia)

0% Interest Rate; 40 Years

Closing Date: July 23, 2008

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	-	-	-
12/01/2009	-	-	-
03/01/2010	18,923.00	-	18,923.00
06/01/2010	18,923.00	-	18,923.00
09/01/2010	18,923.00	-	18,923.00
12/01/2010	18,923.00	-	18,923.00
03/01/2011	18,923.00	-	18,923.00
06/01/2011	18,923.00	-	18,923.00
09/01/2011	18,923.00	-	18,923.00
12/01/2011	18,923.00	-	18,923.00
03/01/2012	18,923.00	-	18,923.00
06/01/2012	18,923.00	-	18,923.00
09/01/2012	18,923.00	-	18,923.00
12/01/2012	18,923.00	-	18,923.00
03/01/2013	18,922.00	-	18,922.00
06/01/2013	18,922.00	-	18,922.00
09/01/2013	18,922.00	-	18,922.00
12/01/2013	18,922.00	-	18,922.00
03/01/2014	18,922.00	-	18,922.00
06/01/2014	18,922.00	-	18,922.00
09/01/2014	18,922.00	-	18,922.00
12/01/2014	18,922.00	-	18,922.00
03/01/2015	18,922.00	-	18,922.00
06/01/2015	18,922.00	-	18,922.00
09/01/2015	18,922.00	-	18,922.00
12/01/2015	18,922.00	-	18,922.00
03/01/2016	18,922.00	-	18,922.00
06/01/2016	18,922.00	-	18,922.00
09/01/2016	18,922.00	-	18,922.00
12/01/2016	18,922.00	-	18,922.00
03/01/2017	18,922.00	-	18,922.00
06/01/2017	18,922.00	-	18,922.00
09/01/2017	18,922.00	-	18,922.00
12/01/2017	18,922.00	-	18,922.00
03/01/2018	18,922.00	-	18,922.00
06/01/2018	18,922.00	-	18,922.00
09/01/2018	18,922.00	-	18,922.00
12/01/2018	18,922.00	-	18,922.00
03/01/2019	18,922.00	-	18,922.00
06/01/2019	18,922.00	-	18,922.00

IF 7-21-08 | SINGLE PURPOSE | 7/21/2008 | 2:17 PM

Raymond James & Associates, Inc.
West Virginia Public Finance

\$2,914,000

Putnam County Building Commission (West Virginia)

0% Interest Rate; 40 Years

Closing Date: July 23, 2008

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2019	18,922.00	-	18,922.00
12/01/2019	18,922.00	-	18,922.00
03/01/2020	18,922.00	-	18,922.00
06/01/2020	18,922.00	-	18,922.00
09/01/2020	18,922.00	-	18,922.00
12/01/2020	18,922.00	-	18,922.00
03/01/2021	18,922.00	-	18,922.00
06/01/2021	18,922.00	-	18,922.00
09/01/2021	18,922.00	-	18,922.00
12/01/2021	18,922.00	-	18,922.00
03/01/2022	18,922.00	-	18,922.00
06/01/2022	18,922.00	-	18,922.00
09/01/2022	18,922.00	-	18,922.00
12/01/2022	18,922.00	-	18,922.00
03/01/2023	18,922.00	-	18,922.00
06/01/2023	18,922.00	-	18,922.00
09/01/2023	18,922.00	-	18,922.00
12/01/2023	18,922.00	-	18,922.00
03/01/2024	18,922.00	-	18,922.00
06/01/2024	18,922.00	-	18,922.00
09/01/2024	18,922.00	-	18,922.00
12/01/2024	18,922.00	-	18,922.00
03/01/2025	18,922.00	-	18,922.00
06/01/2025	18,922.00	-	18,922.00
09/01/2025	18,922.00	-	18,922.00
12/01/2025	18,922.00	-	18,922.00
03/01/2026	18,922.00	-	18,922.00
06/01/2026	18,922.00	-	18,922.00
09/01/2026	18,922.00	-	18,922.00
12/01/2026	18,922.00	-	18,922.00
03/01/2027	18,922.00	-	18,922.00
06/01/2027	18,922.00	-	18,922.00
09/01/2027	18,922.00	-	18,922.00
12/01/2027	18,922.00	-	18,922.00
03/01/2028	18,922.00	-	18,922.00
06/01/2028	18,922.00	-	18,922.00
09/01/2028	18,922.00	-	18,922.00
12/01/2028	18,922.00	-	18,922.00
03/01/2029	18,922.00	-	18,922.00
06/01/2029	18,922.00	-	18,922.00
09/01/2029	18,922.00	-	18,922.00
12/01/2029	18,922.00	-	18,922.00
03/01/2030	18,922.00	-	18,922.00
06/01/2030	18,922.00	-	18,922.00

IF 7-21-08 | SINGLE PURPOSE | 7/21/2008 | 2:17 PM

Raymond James & Associates, Inc.
West Virginia Public Finance

\$2,914,000

Putnam County Building Commission (West Virginia)

0% Interest Rate; 40 Years

Closing Date: July 23, 2008

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2030	18,922.00	-	18,922.00
12/01/2030	18,922.00	-	18,922.00
03/01/2031	18,922.00	-	18,922.00
06/01/2031	18,922.00	-	18,922.00
09/01/2031	18,922.00	-	18,922.00
12/01/2031	18,922.00	-	18,922.00
03/01/2032	18,922.00	-	18,922.00
06/01/2032	18,922.00	-	18,922.00
09/01/2032	18,922.00	-	18,922.00
12/01/2032	18,922.00	-	18,922.00
03/01/2033	18,922.00	-	18,922.00
06/01/2033	18,922.00	-	18,922.00
09/01/2033	18,922.00	-	18,922.00
12/01/2033	18,922.00	-	18,922.00
03/01/2034	18,922.00	-	18,922.00
06/01/2034	18,922.00	-	18,922.00
09/01/2034	18,922.00	-	18,922.00
12/01/2034	18,922.00	-	18,922.00
03/01/2035	18,922.00	-	18,922.00
06/01/2035	18,922.00	-	18,922.00
09/01/2035	18,922.00	-	18,922.00
12/01/2035	18,922.00	-	18,922.00
03/01/2036	18,922.00	-	18,922.00
06/01/2036	18,922.00	-	18,922.00
09/01/2036	18,922.00	-	18,922.00
12/01/2036	18,922.00	-	18,922.00
03/01/2037	18,922.00	-	18,922.00
06/01/2037	18,922.00	-	18,922.00
09/01/2037	18,922.00	-	18,922.00
12/01/2037	18,922.00	-	18,922.00
03/01/2038	18,922.00	-	18,922.00
06/01/2038	18,922.00	-	18,922.00
09/01/2038	18,922.00	-	18,922.00
12/01/2038	18,922.00	-	18,922.00
03/01/2039	18,922.00	-	18,922.00
06/01/2039	18,922.00	-	18,922.00
09/01/2039	18,922.00	-	18,922.00
12/01/2039	18,922.00	-	18,922.00
03/01/2040	18,922.00	-	18,922.00
06/01/2040	18,922.00	-	18,922.00
09/01/2040	18,922.00	-	18,922.00
12/01/2040	18,922.00	-	18,922.00
03/01/2041	18,922.00	-	18,922.00
06/01/2041	18,922.00	-	18,922.00

IF 7-21-08 | SINGLE PURPOSE | 7/21/2008 | 2:17 PM

Raymond James & Associates, Inc.
West Virginia Public Finance

\$2,914,000

Putnam County Building Commission (West Virginia)

0% Interest Rate; 40 Years

Closing Date: July 23, 2008

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2041	18,922.00	-	18,922.00
12/01/2041	18,922.00	-	18,922.00
03/01/2042	18,922.00	-	18,922.00
06/01/2042	18,922.00	-	18,922.00
09/01/2042	18,922.00	-	18,922.00
12/01/2042	18,922.00	-	18,922.00
03/01/2043	18,922.00	-	18,922.00
06/01/2043	18,922.00	-	18,922.00
09/01/2043	18,922.00	-	18,922.00
12/01/2043	18,922.00	-	18,922.00
03/01/2044	18,922.00	-	18,922.00
06/01/2044	18,922.00	-	18,922.00
09/01/2044	18,922.00	-	18,922.00
12/01/2044	18,922.00	-	18,922.00
03/01/2045	18,922.00	-	18,922.00
06/01/2045	18,922.00	-	18,922.00
09/01/2045	18,922.00	-	18,922.00
12/01/2045	18,922.00	-	18,922.00
03/01/2046	18,922.00	-	18,922.00
06/01/2046	18,922.00	-	18,922.00
09/01/2046	18,922.00	-	18,922.00
12/01/2046	18,922.00	-	18,922.00
03/01/2047	18,922.00	-	18,922.00
06/01/2047	18,922.00	-	18,922.00
09/01/2047	18,922.00	-	18,922.00
12/01/2047	18,922.00	-	18,922.00
03/01/2048	18,922.00	-	18,922.00
06/01/2048	18,922.00	-	18,922.00
Total	\$2,914,000.00	-	\$2,914,000.00

Yield Statistics

Bond Year Dollars	\$60,408.63
Average Life	20.730 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.03E-10
Bond Yield for Arbitrage Purposes	1.03E-10
All Inclusive Cost (AIC)	1.03E-10

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.730 Years

IF 7-21-08 | SINGLE PURPOSE | 7/21/2008 | 2:17 PM

Raymond James & Associates, Inc.
West Virginia Public Finance

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20____.

In the presence of:

July 23, 2008

Putnam County Building Commission
Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

Putnam County Building Commission
Winfield, West Virginia

Putnam County Commission
Winfield, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Putnam County Building Commission (the "Issuer"), a public corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$2,914,000 Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated the date hereof (the "Series 2008 A Bonds" or the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated July 23, 2008, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal to the Authority, bearing no interest, and with principal installments payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2010 to and including June 1, 2048, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2008 A Bonds.

The Series 2008 A 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 8, Article 33, certain provisions of Chapter 8, Article 16 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and

construction of certain extensions, additions, betterments and improvements to the waterworks system of the Issuer (the "Project"); (ii) funding the Series 2008 A Bonds reserve account; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on June 17, 2008, as supplemented by a Supplemental Resolution duly adopted by the Issuer on July 15, 2008 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2008 A Bonds are authorized and issued, and the Loan Agreement has been entered into. The Series 2008 A Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to enact the Bond Legislation and to issue and sell the Series 2008 A Bonds, all under the Act and other applicable provisions of law.
2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.
3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Series 2008 A Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
4. The Series 2008 A Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System on a parity with the Issuer's Waterworks Lease Revenue Bonds, Series 2000 B (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$3,800,000, all in accordance with the terms of the Series 2008 A Bonds and the Bond Legislation.
5. The Bonds have not been issued on the basis that the interest thereon, if any, 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, if any, from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

6. The Series 2008 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Series 2008 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Series 2008 A Bonds and the enforceability of the Series 2008 A Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,


STEPTOE & JOHNSON PLLC



Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

July 23, 2008

Putnam County Building Commission
Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

Putnam County Building Commission
Winfield, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the Putnam County Building Commission, a duly organized and presently existing county building commission and public corporation in Putnam County, West Virginia (the "Issuer"). As such counsel, we have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, the loan agreement for the Bonds, dated July 23, 2008, 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"), the Bond Ordinance duly enacted by the Issuer on June 17, 2008, the Supplemental Resolution duly adopted by the Issuer on July 15, 2008 (collectively, the "Bond Legislation"), the agreement dated January 26, 2000 as amended July 23, 2008, by and among the Issuer, The County Commission of Putnam County (the "County Commission") and West Virginia-American Water Company (the "Company") (the "2000 B O&M Agreement"), the Agreement and Lease of Series 2008 B Facilities dated July 23, 2008, by and between the Issuer and the County Commission (the "Lease"), the Deed of Trust, Security Agreement and Fixture Filing dated July 23, 2008, by and between the Issuer and the trustees named therein for the benefit of the Authority (the "Deed of Trust") and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (the "Bonds") and orders of The County Commission of Putnam County relating to the Issuer and the appointment of members of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of West Virginia as a county building commission and public corporation of the State of West Virginia, with corporate power under Chapter 8, Article 33 of the West Virginia Code of 1931, as amended (the "Act").

2. 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.

3. The 2000 B O & M Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the County Commission and the Company, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

4. The Lease has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the County Commission, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

5. The Deed of Trust has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

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

7. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.

8. The execution and delivery of the Bonds, the Lease, the 2000 B O&M Agreement, the Deed of Trust and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Lease, the 2000 B O & M Agreement, the Deed of Trust, the Loan Agreement and the Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

9. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Deed of Trust, the Lease, the Loan Agreement, the 2000 B O & M Agreement, the Bonds and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the pledge of the Revenues therefor.

10. We will ensure all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon our review of the contracts, we will ensure the surety bonds and the policies or other

evidence of insurance coverage in connection with the Project, (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

11. Except as otherwise noted below, the Issuer and the Company have received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from The County Commission of Putnam County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia ("Commission"), and the Issuer and the Company have taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. By Recommended Decision dated July 8, 2008, in Case No. 08-0058-W-PC-CN (that became a final order of the Commission on July 19, 2008, pursuant to Commission Order Waiving Exception Period dated July 14, 2008) ("Order"), a certificate of public convenience and necessity to construct the Project ("Certificate") was granted. However, the granting of the Certificate was made contingent upon receipt and filing of all outstanding permits prior to beginning construction and upon receipt of a document establishing that the County Commission of Kanawha County, West Virginia, has no objection to service being provided in Kanawha County pursuant to the Project. All outstanding permits have been obtained and filed with the Commission. The approval of the Kanawha County Commission has not yet been obtained, but such approval is expected to be obtained without undue delay. The Order, in addition to granting the Certificate, also approved the proposed funding of the Project and authorized the Issuer to charge any Kanawha County residents served by the Project the Issuer's rates and charges, including a \$12.00 monthly surcharge. The time for appeal of such Order has not expired prior to the date hereof. However, the Issuer, the County Commission and the Company, being all of the joint applicants in, and the only parties to, Case No. 08-0058-W-PC-CN, have certified that they will not appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant or other person not a party to Case No. 08-0058-W-PC-CN.

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

Very truly yours,


STEPTOE & JOHNSON PLLC

July 23, 2008

Putnam County Building Commission
Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

The County Commission of Putnam County
Winfield, West Virginia

Putnam County Building Commission
Winfield, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to The County Commission of Putnam County, West Virginia (the "County Commission") in connection with the issuance and sale by the Putnam County Building Commission (the "Issuer") of its Waterworks Lease Revenue Bonds, series 2008 A (the "Series 2008 A Bonds").

The Series 2008 A Bonds are being issued pursuant to Bond Ordinance duly enacted by the Issuer on June 17, 2008, the Supplemental Resolution duly adopted by the Issuer on July 15, 2008 (collectively, the "Bond Legislation") and an ordinance adopted by the County Commission on June 17, 2008 (the "County Commission Ordinance") for the purpose of permanently financing the costs of acquisition and construction of a public waterworks system of the Issuer (the "Series 2008 A Facilities"). Pursuant to the Agreement and Lease of Series 2008 A Facilities, dated July 23, 2008 (the "Lease") by and between the Issuer and the County Commission, the Issuer has leased the Series 2008 A Facilities to the County Commission and the County Commission has agreed to, among other things, make rental payments in amounts and at times sufficient to pay the principal of and interest on the Series 2008 A Bonds when due, and other amounts payable thereunder. Pursuant to the agreement dated January 26, 2000 as amended July 23, 2008, by and among the Issuer, The County Commission of Putnam County and West Virginia-American Water Company (the "Company") (collectively, the "2000 B O&M Agreement"), the Issuer and the County Commission have agreed that the Series 2008 A Facilities should be acquired, constructed, equipped, operated, maintained, repaired and replaced by the Company.

We have examined such documents, certificates, agreements, instruments and records, including without limitation, all proceedings of the County Commission in connection with the authorization of the Lease and the 2000 B O&M Agreement, including the County Commission Ordinance and executed counterparts of the Lease and the 2000 B O&M Agreement and we have made such investigations as we have deemed necessary or appropriate to enable us to render this opinion. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Lease, unless the context otherwise provides.

We are of the opinion that:

1. The County Commission is duly created and validly existing public corporation and political subdivision of the State of West Virginia.
2. The President, Clerk and other members of the County Commission have been duly and properly elected, have taken the requisite oaths and are duly qualified and authorized to act in their respective capacities on behalf of the County Commission.
3. The County Commission has complied in all material respects with the applicable provisions of law and has full legal right, power and authority to enact the County Commission Ordinance, and to enter into, execute and deliver the Lease, the 2000 B O&M Agreement and all other documents, agreements, instruments and certifications in connection therewith and perform its obligations thereunder, to lease and use the Series 2008 A Facilities, to conduct its business as contemplated in the Lease and the 2000 B O&M Agreement and to carry out and consummate all transactions contemplated by the foregoing.
4. The county Commission Ordinance is in full force and effect and was duly adopted by the County Commission at a meeting duly called and held pursuant to law, with all public notice required by law, at which a quorum was present and acting throughout. By the County Commission Ordinance, the County Commission duly and validly authorized, approved, ratified and/or confirmed, by all necessary action, the execution and delivery of the Lease and the 2000 B O&M Agreement, and all other documents, agreements, instruments and certificates in connection therewith and the taking of any and all such action as may be required on the part of the County Commission to carry out, give effect to and consummate the transactions contemplated by the foregoing; and the Lease and the 2000 B O&M Agreement and all other documents, agreements, instruments and certifications in connection therewith have been duly executed and delivered by the County Commission and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of the County Commission in accordance with their respective terms.
5. The County Commission has obtained or received, and has in full force and effect, all consents, permits, licenses, approvals, certificates, exemptions, rights, orders, franchises, privileges and authorizations, all of which have been validly granted, issued and/or assigned and has timely made and/or submitted all declarations, filings, payments, reports, notices, statements, papers, registrations, necessary to adopt the County Commission Ordinance, to enter into and perform its obligations under and consummate the transactions contemplated in the County Commission Ordinance; and the Lease and the 2000 B O&M Agreement and all other documents, agreements, instruments and certifications in connection therewith and to

lease and use the Series 2008 A Facilities; and the County Commission has taken all action required in connection with the consummation of the transactions contemplated in the County Commission Ordinance, the Lease, the 2000 B O&M Agreement and all other documents, agreements, instruments and certifications in connection therewith and the leasing and use of the Series 2008 A Facilities. The County Commission is in compliance with all applicable laws, rules and regulations relating to the Series 2008 A Facilities, the violation of which would have a materially adverse effect on the Series 2008 A Facilities.

6. The execution and delivery of the Lease, the 2000 B O&M agreement and all documents, agreements, instruments and certificates in connection therewith by the County Commission, the consummation of the transactions contemplated thereby and by the County Commission Ordinance, and the compliance with and carrying out of the provisions and terms thereof did not, do not and will not, with or without the giving of notice or passage of time, or both, conflict with or constitute on the part of the County Commission a violation or breach of or constitute or result in a default or loss of rights (or give rise to any right of termination, cancellation or acceleration) under or result in the in the creation of any lien, charge or encumbrance (other than under the Lease and the County Commission Ordinance) pursuant to, and are not prohibited or materially adversely affected by, any mortgage, indenture, note agreement, bond, contract, lease, documents, deed of trust or other agreement, obligation or instrument to which the County Commission is a party or by which the County Commission or its properties are bound or affected or any judgment, statute, ordinance, resolution, order, rule, law, court decision, decree or regulation by which the County Commission or its properties are subject or affected, and will not cause any forfeiture or impairment of any license.

7. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the Series 2008 A Facilities or the transactions contemplated by the County Commission Ordinance, the Lease, the 2000 B O & M Agreement, or the consummation of the transactions contemplated thereby or the performance of the County Commission thereunder.

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

Very truly yours,


STEPTOE & JOHNSON PLLC

RALPH W. BASSETT, JR.
Attorney At Law
1156 South Main Street
Milton, West Virginia 25541
Phone: (304) 743-5573
FAX: (304) 743-1150
e-mail: rbassett@bassettlowe.com

**WATER/WASTEWATER PROJECTS
INFRASTRUCTURE FUND FINANCING**

July 23, 2008

Jefferson E. Brady, P.E., Executive Director
West Virginia Infrastructure and Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

Re: Putnam County Building Commission
2007 Water Lines Extension Project

Dear Mr. Brady:

This firm represents the Putnam County Building Commission with regard to a proposed project to construct various water line extensions in Union, Curry, and Poca Districts of Putnam County (the "Project"), and provides this final title opinion on behalf of the Putnam County Building Commission to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") with regard to the Infrastructure Fund financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Putnam County Building Commission is a duly created and 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 and has the full power and authority to construct, operate and maintain the Project as approved by the West Virginia Bureau of Public Health.
2. That the Putnam County Building Commission has obtained approval for all necessary permits and approvals for the construction of the Project.



1600 LAIDLEY TOWER • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

July 23, 2008

Putnam County Building Commission
Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

West Virginia-American Water Company
Charleston, West Virginia

Putnam County Building Commission
Winfield, West Virginia

Putnam County Commission
Winfield, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We have served as counsel to West Virginia-American Water Company, a West Virginia corporation (the "Company"), in connection with an agreement dated January 26, 2000, as amended July 23, 2008, by and among the Putnam County Building Commission (the "Issuer"), The County Commission of Putnam County (the "County Commission") and the Company (collectively, the "2000 B O&M Agreement"), whereby the Issuer and the County Commission have agreed that the Series 2008 A Facilities should be acquired, constructed, equipped, operated, maintained, repaired and replaced by the Company. The above-captioned Bonds (the "Bonds") are being issued by the Issuer under Chapter 8, Article 33 and certain provisions of Chapter 8, Article 16 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on June 17, 2008, as supplemented by the Supplemental Resolution duly adopted by the Issuer on July 15, 2008 (collectively, the "Bond Legislation"), for the purposes of (i) paying a portion of the costs of acquisition and construction of a new public waterworks system of the Issuer (the "Project"); (ii) funding the Series 2008 A Bonds Reserve Account; and (iii) paying certain costs of issuance and related

{C1383764.2}

costs. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation when used herein.

In connection with this opinion, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of the Articles of Incorporation, a Certificate of Existence and the By-laws of the Company, and all amendments thereto, the 2000 B O & M Agreement, and such other records, instruments, agreements, certificates (including, without limitation, certificates of public officials and of officers of the Company) and other documents (collectively, the "Documents"), and have conducted such investigations of law, as we have deemed necessary for purposes of rendering this opinion. We have assumed the authenticity of the Documents submitted to us as originals, the conformity to originals of the Documents submitted to us as copies and the due authorization, execution and delivery of the Documents by all other parties thereto, if any. As to factual matters necessary for rendering our opinions herein, we have relied upon certificates of the Company with respect thereto without independently verifying the same.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Company is a corporation duly created, validly existing and in good standing under the laws of the State of West Virginia, is qualified to do business in the State of West Virginia, and has full power and authority to execute and deliver the Documents to which the Company is a party and to undertake and perform its obligations thereunder.

2. The Documents to which the Company is a party have been duly authorized, executed and delivered by the Company, are valid and binding upon the Company, and are legally enforceable against the Company in accordance with the respective terms thereof so as to provide to the other respective parties the substantial enjoyment of the rights and benefits provided for therein, except as may be limited by the laws of bankruptcy, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally, by the application of public policy or by the exercise of judicial discretion.

3. To our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, against or affecting the Company, wherein an unfavorable decision, ruling or finding would materially adversely affect the Company or the financial condition or operations of the Company, or the transactions contemplated by the Documents to which the Company is a party, or which would materially adversely affect the Documents to which the Company is a party.

4. To our knowledge, the execution, delivery and performance of and compliance with the provisions of the Documents to which the Company is a party do not and will not violate, conflict with, or constitute or result in a breach of or default under, the Articles of Incorporation or By-laws of the Company or any material agreement, instrument, document, indenture, mortgage, deed of trust, lease, contract, law, judgment, decree, order, statute, rule or regulation to which the Company is a party, by which the Company or its properties are bound or which may otherwise be applicable to the Company.

5. Except as otherwise noted below, the Issuer and the Company have received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from The County Commission of Putnam County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia ("Commission"), and the Issuer and the Company have taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges.

6. By Recommended Decision dated July 8, 2008, in Case No. 08-0058-W-PC-CN (that became a final order of the Commission on July 19, 2008, pursuant to Commission Order Waiving Exception Period dated July 14, 2008) ("Order"), a certificate of public convenience and necessity to construct the Project ("Certificate") was granted. However, the granting of the Certificate was made contingent upon receipt and filing of all outstanding permits prior to beginning construction and upon receipt of a document establishing that the County Commission of Kanawha County, West Virginia, has no objection to service being provided in Kanawha County pursuant to the Project. All outstanding permits have been obtained and filed with the Commission. The approval of the Kanawha County Commission has not yet been obtained, but such approval is expected to be obtained without undue delay.

7. The Order, in addition to granting the Certificate, also approved the proposed funding of the Project and authorized the Issuer to charge any Kanawha County residents served by the Project the Issuer's rates and charges, including a \$12.00 monthly surcharge. The time for appeal of such Order has not expired prior to the date hereof. However, the Issuer, the County Commission and the Company, being all of the joint applicants in, and the only parties to, Case No. 08-0058-W-PC-CN, have certified that they will not appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant or other person not a party to Case No. 08-0058-W-PC-CN.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jack Kelly", followed by a stylized flourish or set of initials.

JACKSON KELLY PLLC

191700.00002

PUTNAM COUNTY BUILDING COMMISSION

Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. SIGNATURES AND DELIVERY
12. BOND PROCEEDS
13. PUBLICATION AND PUBLIC HEARING ON BOND
ORDINANCE
14. NO FEDERAL GUARANTY
15. SPECIMEN BONDS
16. CONFLICT OF INTEREST
17. WEST VIRGINIA JOBS ACT
18. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and undersigned SECRETARY of the Putnam County Building Commission in Putnam County, West Virginia (the "Issuer"), and the undersigned Counsel to the Issuer, hereby certify this 23rd day of July, 2008 in connection with the \$2,914,000 Putnam County Building Commission Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund) (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted June 17, 2008, and a Supplemental Resolution duly adopted July 15, 2008 (collectively, the "Bond Legislation").

2. NO LITIGATION: No action, suit, inquiry, investigation, litigation, controversy or proceeding is pending against or affecting the Issuer or to our knowledge threatened against the Issuer in any court or administrative or governmental body or arbitration board contesting or affecting the due organization and valid existence or power of the Issuer or the title of its officers to their respective offices or the validity, due authorization and execution

of the documents relating to the Bonds (the "Bond Documents") or the enactment of the Bond Legislation, or attempting to limit, enjoin or otherwise affect, restrict or prevent the Issuer from executing, delivering or issuing the Bonds or the Series 2008 A Facilities or otherwise performing the transactions contemplated in the Bond Documents, or functioning and collecting Revenues pledged to the payment of the Bonds and other income, or which would adversely affect the validity or enforceability of the Bond Documents or any other document, instrument or agreement in connection therewith.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** Except as otherwise noted below, the Issuer and the Company have received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from The County Commission of Putnam County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia ("Commission"), and the Issuer and the Company have taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. By Recommended Decision dated July 8, 2008, in Case No. 08-0058-W-PC-CN (that became a final order of the Commission on July 19, 2008, pursuant to Commission Order Waiving Exception Period dated July 14, 2008) ("Order"), a certificate of public convenience and necessity to construct the Project ("Certificate") was granted. However, the granting of the Certificate was made contingent upon receipt and filing of all outstanding permits prior to beginning construction and upon receipt of a document establishing that the County Commission of Kanawha County, West Virginia, has no objection to service being provided in Kanawha County pursuant to the Project. All outstanding permits have been obtained and filed with the Commission. The approval of the Kanawha County Commission has not yet been obtained, but such approval is expected to be obtained without undue delay. The Order, in addition to granting the Certificate, also approved the proposed funding of the Project and authorized the Issuer to charge any Kanawha County residents served by the Project the Issuer's rates and charges, including a \$12.00 monthly surcharge. The time for appeal of such Order has not expired prior to the date hereof. However, the Issuer, the County Commission and the Company, being all of the joint applicants in, and the only parties to, Case No. 08-0058-W-PC-CN, have certified that they will not appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant or other person not a party to Case No. 08-0058-W-PC-CN. Competitive bids for the acquisition and construction of the Series 2008 A Facilities have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the approval and execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement entered into between the Issuer and the Authority.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Waterworks Lease Revenue Bonds, Series 2000 B (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$3,800,000 (the "Series 2000 B Bonds") (the "Prior Bonds"). The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2008 A Bonds on a parity with the Prior Bonds.

Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by these revenues or assets of the System. The Issuer is in compliance with the terms and provisions of the Prior Resolution and no default exists with respect to the Prior Bonds.

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

Bond Ordinance

Supplemental Resolution

Agreement and Lease of Series 2008 A Facilities

Deed of Trust, Security Agreement and Fixture Filing

Loan Agreement

Public Service Commission Orders

Infrastructure Council Approval

County Commission Order Creating Issuer

County Commission Orders Appointing Current Members of Issuer

Oaths of Office of Current Members

Bylaws of Issuer

Minutes on Adoption of Bond Ordinance and Supplemental Resolution

Affidavit of Publication of Bond Ordinance and Notice of Public Hearing

Agreement between Issuer and Company

Prior Bond Ordinances

Consent of Water Development Authority

6. INCUMBENCY AND OFFICIAL NAME: The proper name of the Issuer is "Putnam County Building Commission," and the Issuer is a public corporation with perpetual existence and a county building commission, with principal office and situate in the City of Winfield, Putnam County, West Virginia. Each of the following persons has been duly appointed to the Board of the Issuer by The County Commission of Putnam County and each member was, at the time of such appointment, and presently is, duly qualified, authorized and acting in accordance with the provisions of West Virginia law for such office, for a term of office expiring on the date set opposite his or her name below:

<u>Member</u>	<u>Term</u>	
Nancy Smith	August 29, 2006	August 27, 2011
Fletcher Parsons	October 7, 2003	August 27, 2008
Frank Armada	August 27, 2007	August 27, 2012

Frank Armada is the duly elected and acting Chairman of the Issuer. Nancy Smith is the duly elected and acting Secretary of the Issuer. Steptoe & Johnson PLLC is the duly appointed, qualified and acting Counsel to the Issuer.

The aforesaid have duly taken the prescribed oaths of office and have duly filed any bonds required by law.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition, construction, operation and maintenance of the Series 2008 A Facilities have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the acquisition, construction, operation and financing of the Series 2008 A Facilities were authorized or adopted at regular or special meetings of the Issuer duly and regularly called and held

pursuant to the By Laws of the Issuer and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A, of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Board of the Issuer was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

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

10. **LOAN AGREEMENT:** As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement. The Issuer agrees and covenants not to provide services to any customers/residents in Kanawha County unless it has received the written consent of the County Commission of Kanawha County or it has received an order of the Public Service Commission of West Virginia ordering such service.

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

12. **BOND PROCEEDS:** On the date hereof, the Issuer received from the Authority the agreed purchase price of the Bonds, being \$113,189.

13. **PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE:** Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Issuer to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the Charleston Gazette a newspaper of general circulation in Putnam County, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Commission at the public hearing held at a public meeting of the Issuer on the 16th day of June, 2008, at 8:30 am, in the County Commission

Meeting Room of the Putnam County Courthouse and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Secretary of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Board of the Issuer and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

14. NO FEDERAL GUARANTY: The Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

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

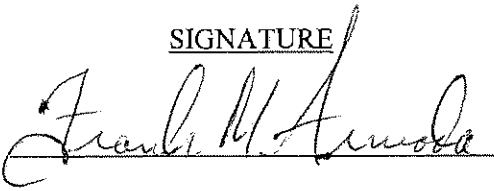
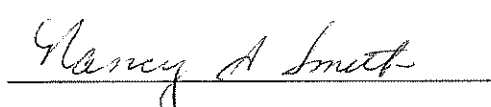
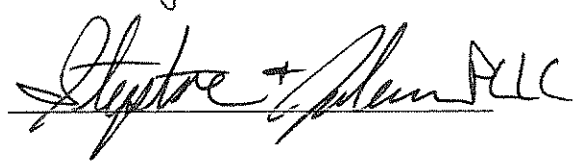
16. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Series 2008 A Facilities, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

17. COMPLIANCE WITH WEST VIRGINIA JOBS ACT: Unless it shall hereafter be qualified for an exception, the Issuer hereby covenants to 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 will require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer hereby certifies to the Council and the Authority that (i) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (ii) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (iii) the Issuer 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 Issuer 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 Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

WITNESS our signatures and the official seal of the PUTNAM COUNTY
BUILDING COMMISSION on the day and year first written above.

[CORPORATE SEAL]

<u>SIGNATURE</u>	<u>OFFICIAL TITLE</u>
	Chairman
	Secretary
	Counsel to Issuer

07.14.08
191700.00002

PUTNAM COUNTY BUILDING COMMISSION

Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF
WEST VIRGINIA-AMERICAN WATER COMPANY ON:

1. INCUMBENCY AND SIGNATURES
2. DUE INCORPORATION AND GOOD STANDING
3. CERTIFICATION OF COPIES OF DOCUMENTS
4. AUTHORIZATION FOR EXECUTION AND DELIVERY OF DOCUMENTS
5. EXECUTION, DELIVERY AND VALIDITY OF AGREEMENT
6. NO LITIGATION
7. AGREEMENTS AND OBLIGATIONS
8. NO CHANGE IN CONDITION
9. PUBLIC SERVICE COMMISSION ORDERS

The undersigned VICE PRESIDENT of WEST VIRGINIA-AMERICAN WATER COMPANY, a corporation located within and incorporated under the laws of the State of West Virginia (the "Company"), HEREBY CERTIFIES this 23rd day of July, 2008 in connection with the authorization, execution and delivery of an Agreement, dated January 26, 2000, as amended on July 23, 2008, by and among the Putnam County Building Commission (the "Issuer"), The County Commission of Putnam County (the "County Commission") and the Company (collectively, the "2000 B O&M Agreement"), relating to the acquisition, construction and equipping of the Project and the subsequent operation, maintenance, repair and replacement of the Series 2008 A Facilities, pursuant to a Bond Ordinance of the Issuer enacted June 17, 2008, as supplemented by a Supplemental Resolution of the Issuer adopted July 15, 2008 (collectively, the "Bond Legislation") authorizing the Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Water Development Authority) in the total aggregate principal amount of \$2,914,000 (the "Series 2008 A Bonds"), to be issued to the West Virginia Water Development Authority (the "Authority"), all capitalized terms used herein and not otherwise defined herein to have the same meanings set forth in the Bond Legislation, as follows:

1. INCUMBENCY AND SIGNATURES: The undersigned is and was at all relevant times the duly elected, qualified and serving Vice President of the Company, duly elected or appointed by the Board of Directors of the Company, and is familiar with the terms of the transactions described in the Documents, herein defined. Set forth below is my true and genuine signature.

2. DUE INCORPORATION AND GOOD STANDING: The Company is a corporation duly created, validly existing and in good standing under the laws of the State of West Virginia, duly authorized to conduct its affairs and transact business in the State of West Virginia, and is not prohibited by any provision of its Articles of Incorporation or By-Laws from conducting its business described in, or effectuating the transactions contemplated in, the 2000 B O & M Agreement and the other Documents, herein defined.

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

Certified copy of Certificate of Existence

Orders of the Public Service Commission of West Virginia

2000 B O & M Agreement

4. AUTHORIZATION FOR EXECUTION AND DELIVERY OF DOCUMENTS: The Company has full and all requisite right, power and authority to own and operate its properties, to carry on its business as now conducted, to execute, deliver and carry out and perform the terms, obligations and conditions set forth in the Documents.

5. EXECUTION, DELIVERY AND VALIDITY OF AGREEMENT. The 2000 B O & M Agreement has been duly authorized, executed and delivered by the Company and on its behalf by duly chosen, qualified and acting officers of the Company, has not been altered, modified or otherwise amended and is in full force and effect as of the date hereof. The 2000 B O & M Agreement constitutes a valid and legally binding agreement and obligation of the Company enforceable in accordance with its terms, except (i) as the same shall be subject to limitations upon the right to obtain judicial orders requiring specific performance or granting injunctive relief, (ii) as may be limited by the laws of bankruptcy, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally, and (iii) as enforceability of indemnity provisions contained therein may be limited under applicable laws or may be against public policy. The execution and delivery of the 2000 B O & M Agreement by the Company and the compliance with the provisions thereof will not conflict with, result in a breach of the terms, conditions or provisions of or constitute a default under, or result in the creation or any imposition of any lien, charge or encumbrance upon any of the property or assets of the Company pursuant to, the Articles of Incorporation or By-laws of the Company or the terms of any indenture, mortgage, deed of trust, loan agreement, undertaking or other agreement, document or instrument to which the Company is a party or bound or to which any of the property or assets of the Company are subject, nor will such action conflict with, result in a material breach of, constitute a default under or result in a violation of any statute, law,

ordinance, judgment, ruling, decree, order, rule or regulation to which the Company is subject or to which any of its properties are subject or which is applicable to the transactions described herein; and no consent, certificate, approval, authorization, order, registration, exemption or qualification of or with any court or any regulatory authority or any governmental authority or body is required for the execution and delivery of the 2000 B O & M Agreement by the Company or in connection with the Project, the 2000 B O & M Agreement or the transactions contemplated thereby, except those already obtained.

6. NO LITIGATION: No litigation, proceeding, suit, inquiry, action or investigation at law or in equity is pending or, to the knowledge of the undersigned, threatened (or is there any basis therefor), against or affecting the Company in or before or by any court, public board or administrative body, which would restrain or enjoin the execution or delivery of the Documents or the performance of any obligations of the Company contained therein or matters in connection therewith, or in any way contesting or affecting the Documents, or attempting to limit, restrain, enjoin or prevent the Company from functioning and making the payments required thereunder, or which questions the validity of the Documents or any documents or the transactions contemplated thereby, or contesting the corporate existence of the Company, or wherein an unfavorable decision, ruling or finding would have a material adverse effect upon the financial condition of the Company, the validity or enforceability of the Documents, the Company's ability to perform its obligations under the Documents or the corporate existence or powers of the Company. There is no action or proceeding pending or threatened looking toward liquidation or dissolution of the Company.

7. AGREEMENTS AND OBLIGATIONS: All agreements, covenants, arrangements and conditions to be complied with or satisfied and all obligations to be performed by the Company pursuant to or in connection with the Documents or the transactions contemplated thereby on or prior to the date of such documents have been complied with, satisfied and performed and there are no defaults or events of default under the Documents or such documents which have occurred and are continuing.

8. NO CHANGE IN CONDITION: There have been no undisclosed material adverse changes in the financial condition of the Company since the offer by the Authority to purchase the Bonds.

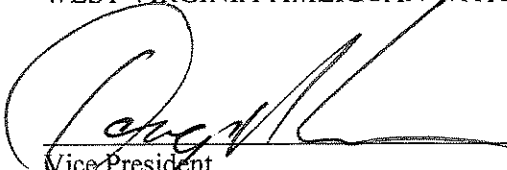
9. PUBLIC SERVICE COMMISSION ORDER: Except as otherwise noted below, the Issuer and the Company have received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from The County Commission of Putnam County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia ("Commission"), and the Issuer and the Company have taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. By Recommended Decision dated July 8, 2008, in Case No. 08-0058-W-PC-CN (that

became a final order of the Commission on July 19, 2008, pursuant to Commission Order Waiving Exception Period dated July 14, 2008) ("Order"), a certificate of public convenience and necessity to construct the Project ("Certificate") was granted. However, the granting of the Certificate was made contingent upon receipt and filing of all outstanding permits prior to beginning construction and upon receipt of a document establishing that the County Commission of Kanawha County, West Virginia, has no objection to service being provided in Kanawha County pursuant to the Project. All outstanding permits have been obtained and filed with the Commission. The approval of the Kanawha County Commission has not yet been obtained, but such approval is expected to be obtained without undue delay. The Order, in addition to granting the Certificate, also approved the proposed funding of the Project and authorized the Issuer to charge any Kanawha County residents served by the Project the Issuer's rates and charges, including a \$12.00 monthly surcharge. The time for appeal of such Order has not expired prior to the date hereof. However, the Issuer, the County Commission and the Company, being all of the joint applicants in, and the only parties to, Case No. 08-0058-W-PC-CN, have certified that they will not appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant or other person not a party to Case No. 08-0058-W-PC-CN.

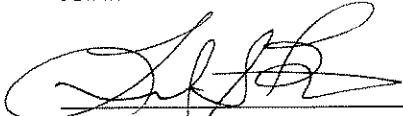
[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, I have hereunto set my hand on the day and year first written above.

WEST VIRGINIA-AMERICAN WATER COMPANY


Vice President

ATTEST:


Secretary

07.14.08
191700.00002

WV MUNICIPAL BOND COMMISSION

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

NEW ISSUE REPORT FORMDate of Report: 23-Jul-08

(See Reverse for Instructions)

ISSUE: Putnam County Building Commission
Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund)

ADDRESS: 3389 Winfield Road, Winfield, West Virginia COUNTY: Putnam

PURPOSE OF ISSUE:New Money: x

Refunding: _____

REFUNDS ISSUE(S) DATED: NAISSUE DATE: 23-Jul-08CLOSING DATE: 23-Jul-08ISSUE AMOUNT: \$2,914,000RATE: 0%1ST DEBT SERVICE DUE: 1-Mar-101ST PRINCIPAL DUE 1-Mar-101ST DEBT SERVICE AMOUNT \$18,922.08PAYING AGENT: Municipal Bond Commission**BOND COUNSEL:**Firm: Steptoe & Johnson PLLCContact: John Stump, EsquirePhone: (304) 353.8196**UNDERWRITERS COUNSEL**Firm: Jackson Kelly, PLLCContact: Samme Gee, EsquirePhone: (304) 340-1318**CLOSING BANK:**Bank: Putnam County BankContact: Jerry BrownPhone: 304.562.9931**ESCROW TRUSTEE:**

Firm: _____

Contact: _____

Phone: _____

KNOWLEDGEABLE ISSUER CONTACTContact: Brian DonatPosition: County AdministratorPhone: 304.586.0201**OTHER:**Agency: West Virginia Infrastructure & Jobs
Development CouncilContact: Jefferson Brady, P.E.Position: DirectorPhone: (304) 558-4607**DEPOSITS TO MBC AT CLOSE**

By:	<u>X</u> Wire	Accrued Interest:	\$ _____
	_____ Check	Capitalized Interest:	\$ _____
		<u>X</u> Reserve Account:	\$ <u>75,689</u>
		Other:	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:	_____ Wire	_____ To Escrow Trustee	\$ _____
	_____ Check	_____ To Issuer	\$ _____
	_____ IGT	_____ To Cons. Invest. Fund	\$ _____
		_____ To Other:	\$ _____

NOTES: The Series 2008 A Bonds Reserve Account will be fully funded with bond proceeds

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____

TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

PUTNAM COUNTY BUILDING COMMISSION

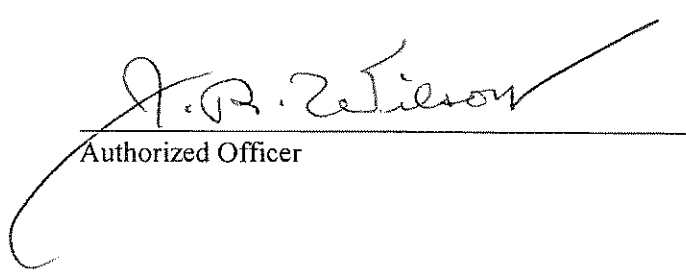
Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

PUTNAM COUNTY BANK, Winfield, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance duly enacted by the Putnam County Building Commission (the "Issuer") on June 17, 2008, and a Supplemental Resolution duly adopted by the Issuer on July 15, 2008 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated July 23, 2008, in the principal amount of \$2,914,000 (the "Bonds"), and agrees to serve as Depository Bank in connection with such Bonds, all as set forth in said Bond Legislation.

WITNESS my signature on this 23rd of July, 2008.

PUTNAM COUNTY BANK



Authorized Officer

07.11.08
191700.00002

PUTNAM COUNTY BUILDING COMMISSION

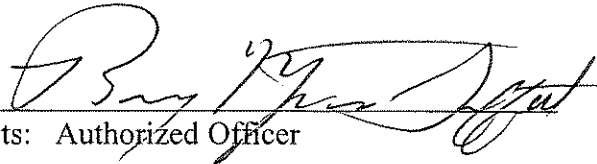
Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with Putnam County Building Commission Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated July 23, 2008, issued in the principal amount of \$2,914,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 23rd day of July, 2008.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

07.14.08
191700.00002

CH4903187.1

PUTNAM COUNTY BUILDING COMMISSION

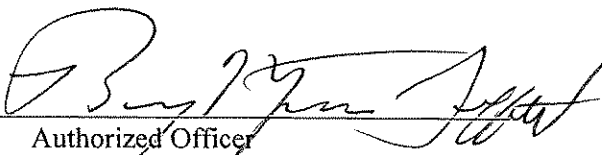
Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement in connection with the above-captioned bond of the Putnam County Building Commission (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Putnam County Building Commission Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of the Issuer, dated July 23, 2008, in the principal amount of \$2,914,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 23rd day of July, 2008.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

07.14.08
191700.00002

PUTNAM COUNTY BUILDING COMMISSION

Waterworks Lease Revenue Bonds, Series 2008 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 23rd day of July, 2008, by and between the PUTNAM COUNTY BUILDING COMMISSION, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$2,914,000 principal amount of Waterworks Lease Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted June 17, 2008, and a Supplemental Resolution of the Issuer duly adopted July 15, 2008 (collectively, the "Bond Legislation");

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

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

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties

including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

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

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

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

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

ISSUER: Putnam County Building Commission
89 Winfield Road
Winfield, West Virginia 25213
Attention: Chairman

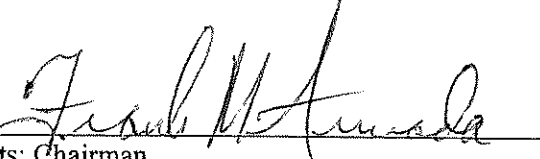
REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

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

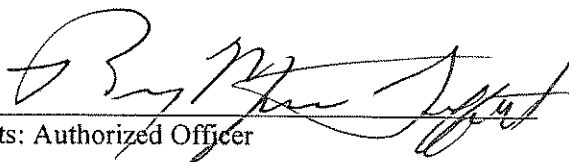
9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

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.

PUTNAM COUNTY BUILDING COMMISSION

By: 
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

07.14.08
191700.00002

CH4903237.1

EXHIBIT A

Bond Legislation included in transcript as Documents No. 1 and No. 2

SWEEP RESOLUTION

Putnam County Building Commission

WHEREAS, Putnam County Building Commission (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

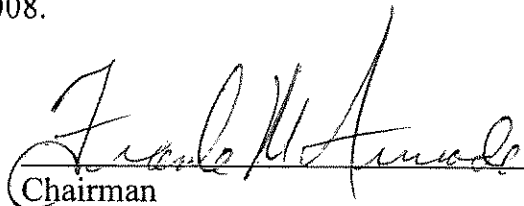
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on and reserve funds for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Chairman, Secretary and Treasurer are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 15th day of July, 2008.


Chairman