

TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

BOND TRANSCRIPT

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TOWN OF BARRACKVILLE  
SEWER REVENUE BONDS, SERIES 1985 A AND SERIES 1985 B  
and  
SEWERAGE SYSTEM  
GRANT ANTICIPATION NOTES, SERIES 1985

BOND AND NOTES ORDINANCE

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TOWN OF BARRACKVILLE

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 A, NOT MORE THAN \$350,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 B, AND NOT MORE THAN \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF GRANT ANTICIPATION NOTES, SERIES 1985; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BARRACKVILLE:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The Town of Barrackville (the "Issuer") is a municipal corporation of the State of West Virginia in Marion County of said State.

B. The Issuer presently owns and operates a public sewage collection system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additional sewerage collection facilities of the Issuer (the "Project") which constitute properties for the collection of liquid or solid wastes, sewage or industrial wastes (the existing facilities, the Project, and any additions thereto or extensions thereof is herein called the "System") at an estimated cost of \$2,840,200, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Secretary of the Sanitary Board of the Issuer.

C. The estimated revenues to be derived in each year after the enactment hereof from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds (as hereinafter defined) and all Sinking Fund, Reserve Account and other payments provided for herein.

D. The Sanitary Board of the Issuer has presented a petition to the Issuer for enactment of this Bond and Notes Ordinance.

E. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than \$1,050,000 in two series, being the Series 1985 A Bonds in the aggregate principal amount of not more than \$700,000 and the Series 1985 B Bonds in the aggregate principal amount of not more than \$350,000 (collectively, the "Bonds"), and contemporaneously therewith, or as soon as practicable thereafter, to issue its Sewerage System Grant Anticipation Notes, Series 1985 (the "Notes") in the principal amount of not more than \$2,500,000 to finance costs of construction and acquisition 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 Notes and the Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; engineering, and legal expenses; expenses for estimates of cost and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incident to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof,

including, with respect to the Notes, any commitment fees to the Credit Bank, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

G. It is in the best interests of the Issuer that its Original Bonds (as hereinafter defined) be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority.

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

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

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

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

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

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

"Authorized Officer" means the Mayor of the Town of Barrackville or any acting Mayor duly appointed by the Governing Body.

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

"Bondholder," "Holder of the Bonds," "Holder" 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 and Notes Ordinance" or "Local Act" means this Bond and Notes Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

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

"Bonds" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

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

"Consulting Engineers" means Bernard G. Sampson Co., Inc., Fairmont, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

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

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

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

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

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

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

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

"Governing Body" means the common council of the Issuer, consisting of five councilmembers, the Mayor and the Recorder.

"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.

"Grant Agreement" means a written commitment for the payment of the EPA Grant or any of the Other Grants, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which Grant is to be paid to the Issuer; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant after the date of issuance of the Notes; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

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

pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined, and for the furnishing by the Issuer of miscellaneous service.

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

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

"Indenture" or "Trust Indenture" means the Trust Indenture between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"Issuer" means the Town of Barrackville in Marion County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer, the Sanitary Board and any other commission, board or department established by the Issuer to operate and maintain the System.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement to be entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized by, the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

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

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

"Notes" or "GAN" means the not more than \$2,500,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, Series 1985, originally authorized hereby, and unless the context clearly indicates otherwise, the terms "Notes" or "GAN" includes any refunding Notes or GAN of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund established by Section 4.02 of the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund established by Section 4.01 of the Indenture.

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

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

"Operation and Maintenance Fund" means the Operation and Maintenance Fund established by Section 5.01 hereof.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than \$700,000 in aggregate principal amount of Series 1985 A Bonds and not more than \$350,000 in aggregate principal amount of Series 1985 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted hereby and authorized by a resolution supplemental hereto, which Bonds shall be issued in accordance with a resolution or resolutions supplemental hereto and which are originally authorized hereby.

"Original Notes Purchaser" means G. L. Cottrill & Company, Inc., of Charleston, West Virginia.

"Other Grants" means any other grant or grants, other than the EPA Grant, hereafter received by the Issuer to aid in financing any Costs.

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

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof, payable from Net Revenues on a parity with the Series 1985 B Bonds.

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

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition and construction of certain sewerage collection and transportation facilities consisting of sewer mains, manholes, pump stations and all necessary appurtenances.

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so

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

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

"Recorder" means the Recorder or Town Clerk of the Issuer.

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

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

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

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

"Sanitary Board" means the Sanitary Board of the Issuer heretofore established by ordinance duly enacted by the Issuer and successors to the function thereof.

"Series 1985 A Bonds" means the not more than \$700,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1985 A. of the Issuer.

"Series 1985 A Bonds Reserve Account" means the Series 1985 A Bonds Reserve Account established in the Series 1985 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1985 A Bonds Reserve Requirement" means, as of any date of calculation the maximum amount of principal and interest which will become due on the Series 1985 A Bonds in any succeeding Fiscal Year.

"Series 1985 A Bonds Sinking Fund" means the Series 1985 A Sinking Fund established by Section 5.02 hereof.

"Series 1985 B Bonds" means the not more than \$350,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1985 B, of the Issuer.

"Series 1985 B Bonds Reserve Account" means the Series 1985 B Bonds Reserve Account established in the Series 1985 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1985 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1985 B Bonds in any succeeding Fiscal Year.

"Series 1985 B Bonds Sinking Fund" means the Series 1985 B Bonds Sinking Fund established by Section 5.02 hereof.

"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 resolutions authorizing the sale of the Notes or the Original Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Notes or the Original Bonds, as the case may be, and not so included may be included in another Supplemental Resolution.

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

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

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture and for the Bond Construction Trust Fund created under Section 6.01 hereof, its successors and assigns.

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 CONSTRUCTION  
AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of \$2,840,200, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Notes and the Bonds hereby authorized shall be applied as provided in Article IV of the Indenture and Article VI hereof, respectively.

### ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purpose of paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, and for such other purposes as may be set forth in the Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than \$1,050,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1985 A," in the aggregate principal amount of not more than \$700,000, and "Sewer Revenue Bonds, Series 1985 B," in the aggregate principal amount of \$350,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Notes. The proceeds of the Bonds (excluding accrued interest) remaining after capitalization of interest, if any, and payment of the costs of issuance thereof and related costs shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall bear interest at such rate or rates, not exceeding 12% per annum, or such other rate as shall then be the 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. The Bonds shall be payable as to principal at the office of the Commission, through a Paying Agent or Paying Agents selected by the original purchaser or purchasers thereof, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds, shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a payment record attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding, with principal installments or maturities, as applicable, corresponding to the

dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds may be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. The registered Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. 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 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 on such Bond, substantially in the forms set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered, if applicable, and delivered under this Bond Legislation. The Certificate of Authentication on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State 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 in the manner provided hereinafter in the form of said Bonds.

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

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

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

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

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

Section 3.08. Bonds Secured by Pledge of Net Revenues; Series 1985 B Bonds to be Junior and Subordinate to Series 1985 A Bonds. The payment of the debt service of all the Series 1985 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1985 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1985 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Fund and the Reserve Account therein hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Series 1985 A Bonds and the Series 1985 B Bonds, respectively, shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1985 A Bond]

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF BARRACKVILLE  
SEWER REVENUE BOND, SERIES 1985 A

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia in Marion 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 West Virginia Water Development Authority or registered assigns (the "Payee") the sum of \_\_\_\_\_ (\$ \_\_\_\_\_), in installments on \_\_\_\_\_ 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor, and until payment of such installment, and such interest shall be payable on the 1st day of \_\_\_\_\_, and the 1st day of \_\_\_\_\_ in each year beginning \_\_\_\_\_ 1, 19\_\_.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar and paying agent (the "Registrar"). The interest on this Bond is payable by check or draft mailed to the registered owner hereof at the address as it appears on the books of the Registrar on the \_\_\_\_\_ day of the month preceding an interest payment date.

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

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportation facilities of the Issuer (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. This Bond

is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and a Supplemental Resolution adopted by the Issuer on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ (collectively called 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 contemporaneously with the Sewer Revenue Bonds, Series 1985 B, of the Issuer (the "Series 1985 B Bonds") issued in the aggregate principal amount of \$\_\_\_\_\_, which Series 1985 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this series.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1985 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1985 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations payable from such revenues, provided however, that so long as there exists in the Series 1985 A Bonds Reserve Account and the reserve account established for the Series 1985 B Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in any succeeding fiscal year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is

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

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

This Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

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

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Town Clerk, and has caused this Bond to be dated \_\_\_\_\_, 1985.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1985 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,  
as Bond Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:

\_\_\_\_\_

[Form of Series 1985 B Bond]

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF BARRACKVILLE  
SEWER REVENUE BOND, SERIES 1985 B

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia in Marion 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 West Virginia Water Development Authority or registered assigns (the "Payee") the sum of \_\_\_\_\_ (\$ \_\_\_\_\_), in \_\_\_\_\_ equal annual installments of \$ \_\_\_\_\_ each, on \_\_\_\_\_ 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without 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, through Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar and paying agent (the "Registrar").

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

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportation facilities of the Issuer (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and a Supplemental Resolution adopted by the Issuer on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of

additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on the Series 1985 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1985 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1985 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations payable from such revenues, provided however, that so long as there exists in the Series 1985 B Bonds Reserve Account and the reserve account established for the Series A Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on all obligations payable from such net revenues which may be issued in any succeeding fiscal year, such percentage may be reduced to 110%. The 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.

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

This Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1985 A, OF THE ISSUER, ISSUED CONCURRENTLY HERewith AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1985 A BONDS").

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

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Town Clerk, and has caused this Bond to be dated \_\_\_\_\_, 1985.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1985 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,  
as Bond Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:

\_\_\_\_\_

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

## ARTICLE IV

### NOTES

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer shall issue and sell its Notes in the aggregate principal amount of not to exceed \$2,500,000. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture and Supplemental Resolution.

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

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

Section 4.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed \$300,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund;
- (2) Operation and Maintenance Fund;
- (3) Renewal and Replacement Fund; and
- (4) Bond Construction Trust Fund.

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

- (1) Series 1985 A Bonds Sinking Fund;
  - (a) Within the Series 1985 A Bonds Sinking Fund, the Series 1985 A Bonds Reserve Account.
- (2) Series 1985 B Bonds Sinking Fund;
  - (a) Within the Series 1985 B Bonds Sinking Fund the Series 1985 B Bonds Reserve Account.

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

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

(2) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1985 A Bonds, apportion and set apart out of the Revenue Fund and remit to the

Commission, for deposit in the Series 1985 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1985 A Bonds on the next ensuing semiannual interest payment date, less any moneys transferred from the Series 1985 A Bonds Reserve Account for the purpose of making interest payments and investment earnings on sums previously deposited in the Series 1985 A Bonds Sinking Fund for the purpose of making interest payments on the Series 1985 A Bonds; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1985 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1985 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1985 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1985 A Bonds on the next ensuing principal payment date, less any moneys transferred from the Series 1985 A Bonds Reserve Account for the purpose of making principal payments and investment earnings on sums previously deposited in the Series 1985 A Bonds Sinking Fund for the purpose of making principal payments on the Series 1985 A Bonds.

(4) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1985 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1985 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1985 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 1985 A Bonds Reserve Requirement.

Moneys in the Series 1985 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1985 A Bonds as the same shall become due. Moneys in the Series 1985 A Bonds Reserve Account in the Series 1985 A Bonds Sinking Fund shall be used only for the purpose of paying principal of or

interest on the Series 1985 A Bonds, as the same shall come due, when other moneys in the Series 1985 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1985 A Bonds Reserve Account shall be transferred, not less than once each year, to the Series 1985 A Bonds Sinking Fund and applied in full to the next ensuing principal payment due on the Series 1985 A Bonds.

Any withdrawals from the Series 1985 A Bonds Reserve Account which result in a reduction in the balance of the Series 1985 A Bonds Reserve Account to below the Series 1985 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1985 A Bonds Sinking Fund for payment of debt service on the Bonds have been made in full.

(5) The Issuer shall not be required to make any further payments into the Series 1985 A Bonds Sinking Fund or the Series 1985 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in both said Sinking Funds and said Reserve Accounts are at least equal to the aggregate principal amount of Bonds issued pursuant to this Bond Legislation then Outstanding.

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

Subsection 5.03(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(7) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1985 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1985 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1985 B Bonds on the next ensuing principal payment date, less any moneys transferred from the Series 1985 B Bonds Reserve Account for the purpose of making principal payments and investment earnings on sums previously deposited in the Series 1985 B Bonds Sinking Fund for the purpose of making principal payments on the Series 1985 B Bonds.

(8) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1985 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1985 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1985 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1985 B Bonds Reserve Requirement.

Moneys in the Series 1985 B Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 1985 B Bonds as the same shall become due. Moneys in the Series 1985 B Bonds Reserve Account in the Series 1985 B Bonds Sinking Fund shall be used only for the purpose of paying principal of the Series 1985 B Bonds, as the same shall come due, when other moneys in the Series 1985 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1985 B Bonds Reserve Account shall be transferred, not less than once each year, to the Series 1985 B Bonds Sinking Fund and applied in full to the next ensuing principal payment due on the Series 1985 B Bonds.

Any withdrawals from the Series 1985 B Bonds Reserve Account which result in a reduction in the balance of the Series 1985 B Bonds Reserve Account to below the Series 1985 B Bonds Reserve Requirement shall be

subsequently restored from the first Net Revenues available after all required payments to the Series 1985 A and Series 1985 B Bonds Sinking Funds for payment of debt service on the Bonds have been made in full.

As and when additional Bonds ranking on a parity with the Series 1985 B Bonds are issued, provision shall be made for additional payments into the Series B Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series B Reserve Account in an amount equal to the maximum provided and required to be paid into the Series B Sinking Fund in any Fiscal Year for account of all the Series 1985 B Bonds, including such additional Series 1985 B Bonds which by their terms are payable from such Sinking Fund.

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

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

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

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

B. 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 said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Accounts therein, and the Renewal and Replacement Fund

during the following month, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the Issuer, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund, as defined in the Indenture.

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

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

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

B. The amount of the proceeds which together with the proceeds deposited pursuant to Subsection (A) of this section and together with the earnings thereon, shall be at least sufficient to pay interest, if any, on the applicable Series of Bonds for the period specified in the Supplemental Resolution shall be deposited in the appropriate Sinking Fund; provided, that such period may not extend beyond the date which is 6 months after the estimated date of completion of construction of the Project.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository bank (which shall also be the Trustee) in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in the Indenture.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Indenture. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Bonds.

## ARTICLE VII

### ADDITIONAL COVENANTS OF THE ISSUER

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

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

Section 7.02. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds or Notes, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1985 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System and payment of the debt service of the Series 1985 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1985 A Bonds, to the extent necessary to make the payments required under Section 5.03 of this Ordinance. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Fund, including the Reserve Account therein, and all other payments

provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided in therein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges; Rules. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the ordinance of the Issuer dated September 3, 1985.

Section 7.05. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and Notes, if any, Outstanding, or to effectively defease this Ordinance in accordance with Section 10.01 hereof and, if not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Fund, and, in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds about to mature. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay in full the Notes shall be remitted to the Trustee for deposit in the Notes Debt Service Fund , to apply to the payment of the Notes, prior to maturity if allowable under the Supplemental Resolution.

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

excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. Such payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this 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 the Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1985 B Bonds only may be issued as provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to both the Series 1985 A Bonds and the Series 1985 B Bonds; provided, that no such subordinate obligations

shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

No Parity Bonds shall be issued which shall be payable out of the revenues of the System prior to or on a parity with the Series 1985 A Bonds. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1985 B Bonds.

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

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

(A) The Bonds then Outstanding;

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

(C) 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 period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

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

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond over any other. The 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.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of both the Series 1985 A Bonds and the Series 1985 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with either the Series 1985 A Bonds or the Series 1985 B Bonds.

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

B. Notwithstanding the foregoing, Parity Bonds may be issued solely for the purpose of completing the Project without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority, and if any Notes are then Outstanding, the Trustee, to the issuance of such Parity Bonds.

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

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

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

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

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

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

The 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 shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds or Notes, as the case may be, and shall file said report with the Trustee and the Authority, or any other original purchaser of the Bonds.

Section 7.09. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. The Issuer shall take the necessary actions with respect to the imposition of rates at such times and with such provisions with respect to interest rate and maturity of the Bonds to finance the issuance of the Bonds as the purchasers thereof shall require. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal

Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account or junior bonds is funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 7.10. Operating Budget and Audit. 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 expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which funding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the 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 Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

In addition, the Issuer shall annually cause the records of the System to be audited by an independent certified public accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, 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 and facilities of the System and any services and facilities of the water system, if then owned by the Issuer, to all delinquent users of services and facilities of the System and will not restore such services of either system until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

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

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

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

(B) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$100,000 per occurrence from claims for damage to property of others which may 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.

(C) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 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.

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.

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

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

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

## ARTICLE VIII

### INVESTMENT OF FUNDS; NON ARBITRAGE

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

Except as provided in the Indenture, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount. The Commission, the Trustee, or 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 Trustee or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Section 8.02. Restrictions as to Arbitrage Bonds. The Issuer hereby covenants, and hereby so instructs the Bond Commission and the Trustee that they shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and an Authorized Officer shall deliver his certificate, based upon this covenant, with regard thereto to the purchaser of the Original Bonds.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; or

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

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

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Bond Legislation, any supplemental resolution, the Indenture 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Bonds; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note or Bond, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and 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 Notes or Bonds, as the case may be, (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 Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all

defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1985 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1985 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1985 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1985 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1985 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1985 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1985 A Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1985 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any

trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1985 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1985 B Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1985 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1985 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1985 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1985 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1985 B Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1985 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

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

## ARTICLE XI

### MISCELLANEOUS

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

Section 11.02. 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 Notes, 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, Indenture, the Bonds or the Notes.

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

Section 11.05. Amendments to Maintain Tax Exemption. The Issuer hereby covenants to make any amendment or supplements to this Ordinance and to the Indenture authorized hereby to enable the Notes or Bonds to be issued in such form as to render the interest thereon exempt from federal income taxation, without further consent of the Holders of the Bonds or the Notes.

Section 11.06. 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 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment 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 Mayor, Recorder and members of the the Town Council and the Sanitary Board 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 11.08. Effective Time. This Ordinance shall take effect following public hearing hereon in accordance with the Act.

Section 11.09. 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 two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the Times-West Virginian, a newspaper of general circulation in the Town of Barrackville, no newspaper being published in the Town of Barrackville, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Notes and Bonds, and that any person interested may appear before the Common Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Issuer for review by interested parties during the office hours of the Issuer.

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

Passed on First Reading

November 12, 1985

Passed on Second Reading

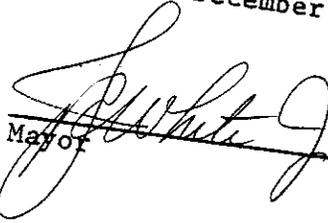
November 19, 1985

Effective following public hearing held on

December 3, 1985

[SEAL]

ATTEST:

  
Mayor

By Lester Merrifield  
Town Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Barrackville following a public hearing thereon on this 3rd day of December, 1985.

[SEAL]

  
Town Clerk

12/06/85  
BARR2-A



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

SUPPLEMENTAL BOND RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1985 A AND SERIES 1985 B, OF THE TOWN OF BARRACKVILLE; AUTHORIZING AND APPROVING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

WHEREAS, the common council (the "Governing Body") of the TOWN OF BARRACKVILLE (the "Issuer"), upon petition of the Sanitary Board of the Issuer, has duly and officially enacted an ordinance, effective December 3, 1985 (the "Bond and Notes Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 A, NOT MORE THAN \$350,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 B, AND NOT MORE THAN \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF GRANT ANTICIPATION NOTES, SERIES 1985; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond and Notes Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount of not to exceed \$1,050,000, to be issued in two series, the Series 1985 A Bonds to be in an aggregate principal amount of not more than \$700,000 (the "Series 1985 A Bonds") and the Series 1985 B Bonds to be in an aggregate principal amount of not more than \$350,000 (the "Series 1985 B Bonds"), and has authorized the execution and delivery of a Loan Agreement relating to the Series A Bonds and a Supplemental Loan Agreement relating to the Series B Bonds (collectively, the "Loan Agreement"), both dated as of the date of delivery of the Bonds, by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with West Virginia Code, Chapter 16, Article 13 (the "Act"); and in the Bond and Notes Ordinance, it is provided that the maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the 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 bond resolution (the "Supplemental Bond Resolution") be adopted and that the Loan Agreement be entered into by the Issuer, that the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF BARRACKVILLE:

Section 1. Pursuant to the Bond and Notes Ordinance and the Act, this Supplemental Bond Resolution is adopted and there are hereby authorized and ordered to be issued:

(A) The Sewer Revenue Bonds, Series 1985 A, of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of \$618,894. The Series 1985 A Bonds shall be dated the date of delivery thereof, shall mature October 1, 2025, shall bear interest at the rate of 9.75% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable

April 1, 1986, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1985 B, of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of \$308,106. The Series 1985 B Bonds shall be dated the date of delivery thereof, shall mature October 1, 2025, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and upon payment of the redemption premium provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and incorporated therein by reference.

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

Section 3. The Issuer does hereby approve and accept the Loan Agreement and the Supplemental Loan Agreement, both dated the date of delivery of the Bonds, between the Authority and the Issuer, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement and the Supplemental Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed. The price of the Bonds shall be 100% of par value, plus interest accrued from the date of the Bonds to the date of delivery thereof.

Section 4. The Issuer does hereby appoint and designate Kanawha Valley Bank, N.A., Charleston, West Virginia, as Registrar and Paying Agent for the Bonds and does approve and accept the Registrar's Agreement dated as of December 1, 1985, by and between the Issuer and Kanawha Valley Bank, N.A., in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint City National Bank of Fairmont, Fairmont, West Virginia, as Depository Bank under the Bond and Notes Ordinance.

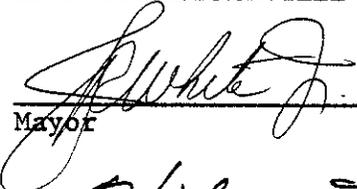
Section 6. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond and Notes Ordinance approved and provided for, to the end that the Bonds may be delivered on or about December 9, 1985, to the Authority pursuant to the Loan Agreement.

Section 7. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 8. This Supplemental Bond Resolution shall be effective immediately following adoption hereof.

Adopted this 3rd day of December, 1985.

TOWN OF BARRACKVILLE

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Recorder

12/04/85  
BARR1-G



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"), and the governmental agency designated below (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all 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 construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

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

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a general resolution adopted by the Authority on May 22, 1985 (the "General Resolution"), as supplemented, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development loan program (the "Program") as hereinafter set forth.

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

## ARTICLE 1

### Definitions

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

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

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

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

1.5 "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 with a portion of the proceeds of its water development revenue bonds, all in accordance with the provisions of this Loan Agreement.

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

1.7 "Project" means the water development 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.

1.8 "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.

1.9 "System" means the water development 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.

1.10 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 constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Department of Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and of 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 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.

2.4 The Governmental Agency agrees that the Authority and its 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 its duly authorized agents shall, prior to, at 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 in respect of 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, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project and the administration of the Loan or of 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 its agents 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.

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.

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 Authority. 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.

2.9 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to 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 resident engineer shall certify to the Authority 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 agrees that it will at all times provide operation and maintenance of the System to comply with all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained 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 Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

### ARTICLE III

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

3.1 The agreement of the Authority to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority, 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 delivered to the Authority for purchase the Local Bonds described in this Article III and in Article IV hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount

and otherwise compatible with the plan of financing described in the Application, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

(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 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") necessary for the issuance of the Local Bonds, construction of the Project and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), and the Authority 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, to such effect;

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

(g) 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) 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 such person or firm and in form and substance satisfactory to the Authority, to such effect and evidence satisfactory to it 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 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 five (5) 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 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.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies as in the aggregate will permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the water development revenue bonds issued by it. The Governmental Agency specifically recognizes that the Authority will not execute this Loan Agreement unless and until it has available funds sufficient to purchase all the Local Bonds and that, prior to such execution, 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

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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 enacted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as set forth on Schedule Y attached hereto and incorporated herein by reference. The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the revenues from the System, as more fully set forth in Schedules X and Y attached hereto;

(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 or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account established for the payment of debt service on the Local Bonds (the "Reserve Account") is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in any year (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 will complete the Project and operate and maintain the System in good condition;

(iv) That 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 or payable from the revenues of the System prior to the Local Bonds; 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;

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

(viii) That any bond owner 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 or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System 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 and shall submit the report of said audit to the Authority, which shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement;

(xii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(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, except for accrued interest and capitalized interest, if any, must be deposited in a construction fund on which the owner of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs); and

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency shall not authorize redemption of any Local Bonds by it without the written consent of the Authority and otherwise in compliance with this Loan Agreement.

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, 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 A.

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.

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

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds until the date of payment thereof, 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.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as determined by the Authority and shall include without limitation Program expenses and fees paid to the trustee and paying agents for the water development revenue bonds. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

4.7 As long as the Authority is the owner of any of the Local Bonds outstanding, the Governmental Agency shall not redeem any of such Local Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the applicable water development revenue bonds, the redemption premium payable on the applicable water development revenue bonds redeemable as a consequence of such redemption of Local Bonds and the costs and expenses of the Authority in effecting any such redemption, all as further prescribed by Section 9.11 of the General Resolution. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding applicable water development revenue bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

#### 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, as

set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the 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 so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The 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 Section 6a of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

## ARTICLE VI

### Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges with respect to water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 At the option of the Authority, the Governmental Agency shall issue and sell to the Authority additional, subordinate bonds to evidence the Governmental Agency's obligation to repay to the Authority any grant received by the Governmental Agency from the Authority in excess of the amount

to which the Governmental Agency is entitled pursuant to applicable policies or rules and regulations of the Authority. Also at the option of the Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

6.3 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time provided, 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 shall have the right to cancel all or any of its obligations under this Loan Agreement if (a) any representation made to the Authority 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 this Loan Agreement.

## ARTICLE VII

### Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency are 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, Y and Z shall be attached to this Loan Agreement at the time of execution hereof by the Authority 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.

7.3 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.

7.4 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.

7.5 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.

7.6 This Loan Agreement merges and 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.

7.7 By execution and delivery of this Loan Agreement, 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.

7.8 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 if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority pursuant to Section 6.3 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.

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 Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

Town of Barrettville  
[Proper Name of Governmental Agency]

(SEAL)

By

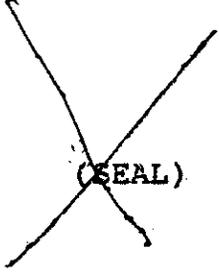
[Signature]  
its

Mayor

Attest:

Date: December 9, 1985

H. Lester Merrifield  
Its Recorder



(SEAL)

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By : Edgar W. Henry  
Director

Attest:

Date: DECEMBER 9, 1985

Daniel B. [Signature]  
Secretary-Treasurer

WDA-5X  
(August 1985)

SCHEDULE X  
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	\$ <u>618,894.00</u>
Purchase Price of Local Bonds	\$ <u>618,894.00</u>

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semi-annual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 9.75% per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

As of the date of the Loan Agreement, the Local Bonds are subordinate as to source of and security for payment to the following obligations:

## EXHIBIT 1

## DEBT SERVICE SCHEDULE

## TOWN OF BARRACKVILLE

## -----1985 SERIES A BONDS-----

<u>Period Ending 10/1</u>	<u>Coupon</u>	<u>Principal</u> :	<u>Interest</u>	<u>Debt Service</u>
1986	9.75%	\$ 0.00	\$ 48,625.05	\$ 48,625.05
1987	9.75%	0.00	60,342.17	60,342.17
1988	9.75%	1,812.00	60,342.17	62,154.17
1989	9.75%	1,988.00	60,165.50	62,153.50
1990	9.75%	2,182.00	59,971.67	62,153.67
1991	9.75%	2,395.00	59,758.92	62,153.92
1992	9.75%	2,629.00	59,525.41	62,154.41
1993	9.75%	2,885.00	59,269.08	62,154.08
1994	9.75%	3,166.00	58,987.79	62,153.79
1995	9.75%	3,475.00	58,679.11	62,154.11
1996	9.75%	3,814.00	58,340.30	62,154.30
1997	9.75%	4,185.00	57,968.43	62,153.43
1998	9.75%	4,593.00	57,560.39	62,153.39
1999	9.75%	5,041.00	57,112.58	62,153.58
2000	9.75%	5,533.00	56,621.08	62,154.08
2001	9.75%	6,072.00	56,081.61	62,153.61
2002	9.75%	6,664.00	55,489.59	62,153.59
2003	9.75%	7,314.00	54,838.85	62,152.85
2004	9.75%	8,027.00	54,126.74	62,153.74
2005	9.75%	8,810.00	53,344.10	62,154.10
2006	9.75%	9,669.00	52,485.13	62,154.13
2007	9.75%	10,612.00	51,542.40	62,154.40
2008	9.75%	11,646.00	50,507.73	62,153.73
2009	9.75%	12,782.00	49,372.25	62,154.25
2010	9.75%	14,028.00	48,126.00	62,154.00
2011	9.75%	15,396.00	46,758.27	62,154.27
2012	9.75%	16,897.00	45,257.16	62,154.16
2013	9.75%	18,544.00	43,609.70	62,153.70
2014	9.75%	20,352.00	41,801.66	62,153.66
2015	9.75%	22,337.00	39,817.34	62,154.34
2016	9.75%	24,515.00	37,639.49	62,154.49
2017	9.75%	26,905.00	35,249.27	62,154.27
2018	9.75%	29,528.00	32,626.04	62,154.04
2019	9.75%	32,407.00	29,747.06	62,154.06
2020	9.75%	35,567.00	26,587.37	62,154.37
2021	9.75%	39,034.00	23,119.59	62,153.59
2022	9.75%	42,840.00	19,313.78	62,153.78
2023	9.75%	47,017.00	15,136.88	62,153.88
2024	9.75%	51,601.00	10,552.72	62,153.72
2025	9.75%	56,632.00	5,521.62	62,153.62
		\$618,894.00	\$1,851,922.00	\$2,470,816.00

SCHEDULE Y  
REVENUES

In accordance with Subsection 4.1(a) of the Loan Agreement, the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as follows:

- :
- (i) to pay Operating Expenses of the System;
  - (ii) to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if the Reserve Account was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Reserve Account at 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;
  - (iv) to provide debt service on and requisite reserves for any subordinate indebtedness of the Governmental Agency held or owned by the Authority; and
  - (v) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

SCHEDULE Z

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.
2. "Local Statute" means Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended.
3. "System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Department of Natural Resources and FPA.
2. The Governmental Agency agrees that it will permit the EPA 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.
3. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Department of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.
4. The Local Act shall contain a covenant substantially as follows:

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the Water System to all users of services of the System

delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

5. To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for federal financial assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State;

6. Subject to any prior or parity obligations described in Schedules X and Y attached to the Loan Agreement, the net revenues derived from the operation of the System are pledged to the payment of the principal of and interest on the Local Bonds.



SUPPLEMENTAL LOAN AGREEMENT

THIS SUPPLEMENTAL 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"), and the governmental agency designated below (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all 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 construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds, including supplemental, subordinate revenue bonds, issued by the Governmental Agency;

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

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

WHEREAS, on or prior to the date hereof, the Governmental Agency and the Authority entered a loan agreement with respect to the purchase by the Authority of certain Local Bonds of the Governmental Agency, all as more specifically described in Exhibit A attached hereto and incorporated herein by reference (the "Loan Agreement").

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act, and having available sufficient funds therefore, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of supplemental, subordinate revenue bonds of the Governmental Agency with certain available funds of the Authority (other than the proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a general resolution adopted by the Authority on May 22, 1985, as supplemented), subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's supplemental water development loan program (the "Supplemental Program") as hereinafter set forth.

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

## ARTICLE I

### Definitions; Loan Agreement

1.1 Capitalized terms used and not otherwise defined herein shall have the meanings respectively given them by the Loan Agreement.

1.2 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," "water development project," "wastewater facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

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

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

1.5 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, to evidence the Supplemental Loan and to be purchased by the Authority with certain available funds (other than the proceeds of its water development revenue bonds), the lien of which on the revenues of the System is junior, subordinate and inferior to that of the Local Bonds, all in accordance with the provisions of this Supplemental Loan Agreement.

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

1.7 This Supplemental Loan Agreement is supplemental to the Loan Agreement, the terms of which are incorporated herein by reference.

## 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 constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Department of Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

2.2 Subject to the terms, conditions and provisions of this Supplemental Loan Agreement and of 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 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.

2.4 The Governmental Agency agrees that the Authority and its 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 its duly authorized agents shall, prior to, at 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 in respect of 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, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project and the administration of the Supplemental Loan or of 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 its agents 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.

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.

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 Authority. 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.

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 its duly authorized agents shall, prior to, at 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 in respect of 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, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project and the administration of the Supplemental Loan or of 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 its agents 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.

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.

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 Authority. 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.

2.9 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to 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 resident engineer shall certify to the Authority 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 agrees that it will at all times provide operation and maintenance of the System to comply with all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of this Supplemental Loan Agreement.

2.11 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by 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.

### ARTICLE III

#### Conditions to Supplemental Loan; Issuance of Supplemental Bonds

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

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Supplemental Bonds described in this Article III and in Article IV hereof and shall have delivered to the Authority for purchase the Local Bonds in accordance with the Loan Agreement;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

(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 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") necessary for the issuance of the Supplemental Bonds, construction of the Project and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), and the Authority 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, to such effect;

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

(g) The net proceeds of the Supplemental Bonds, together with the net proceeds of the Local Bonds and all other 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) 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 such person or firm and in form and substance satisfactory to the Authority, to such effect and evidence satisfactory to it of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Supplemental Loan Agreement, the rules and regulations promulgated by the Authority 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 Supplemental

Loan to the Governmental Agency and the Governmental Agency shall accept the Supplemental 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 Supplemental Loan by purchasing the Supplemental Bonds in the principal amount and at the price set forth in Schedule X hereto. The Supplemental Bonds shall have such further terms and provisions as described in Article IV hereof.

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

3.4 The Supplemental Loan will be made only in conjunction with the Loan. The Supplemental Bond shall be delivered to the Authority, at the offices of the Authority, simultaneously with the delivery of the Local Bond to the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Supplemental Loan Agreement and the Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies under the conditions and in the manner described in the Loan Agreement. The Governmental Agency further understands and acknowledges that the Authority's obligation to make the Supplemental Loan is subject to the availability on the Date of Loan Closing of funds legally available therefor.

#### ARTICLE IV

Supplemental Bonds; Security for Supplemental Loan;  
Repayment of Supplemental Loan; No Interest on  
Supplemental Loan; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Supplemental Loan, authorize the issuance of and issue the Supplemental Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as set forth on Schedule Y attached hereto and

incorporated herein by reference. The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Supplemental Bonds shall be secured by the revenues from the System, as more fully set forth in Schedules X and Y attached hereto, subject to the prior and senior security therefrom granted to the Local Bonds;

(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 the Supplemental Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Local Bonds and on a parity with the Supplemental Bonds or, if the reserve accounts established for the payment of debt service on the Local Bonds (the "Reserve Account") and for the payment of debt service on the Supplemental Bonds (the "Supplemental Reserve Account") are funded (whether by Local Bond proceeds with respect to the Local Bonds, monthly deposits or otherwise), respectively, at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in any year (the "Reserve Requirement") or on the Supplemental Bonds in any year (the "Supplemental Reserve Requirement"), as the case may be, 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 the Supplemental Bonds and any such prior or parity obligations;

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

(iv) That 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 and Supplemental 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 Supplemental Bonds, except the Local Bonds and bonds on a parity with the Supplemental Bonds, which parity bonds 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 Supplemental Bonds and parity bonds theretofore and then being issued and on the Local Bonds and any other obligations secured by or payable from the revenues of the System prior to the Supplemental Bonds; provided, however, that additional parity Local Bonds and additional parity Supplemental 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;

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

(viii) That any bond owner 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 or interest on the Supplemental Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law, subject to the prior and senior rights of the owner or owners of the Local Bonds;

(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 and shall submit the report of said audit to the Authority, which shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Supplemental Loan Agreement;

(xii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(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 Supplemental Bonds, except for accrued interest and capitalized interest, if any, must be deposited in a construction fund on which the owner of the Supplemental Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs), provided that said construction fund may be the one established for the Local Bonds, which shall have a prior and senior lien thereon; and

(xv) That, as long as the Authority is the owner of any of the Supplemental Bonds, the Governmental Agency shall not authorize redemption of any Supplemental Bonds by it without the written consent of the Authority.

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, sale and delivery of the Supplemental 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 Supplemental 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 the prior and senior security therefrom for the Local Bonds and to such reservations and exceptions as are

described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the Supplemental Loan shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto.

4.4 The Supplemental Loan shall not bear interest.

4.5 The Supplemental 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.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Supplemental Program, which administrative expenses shall be as determined by the Authority.

#### 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 Supplemental 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 Supplemental Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds and the Supplemental Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, 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 so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Supplemental Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section

4.6 hereof, the amount of such default shall bear interest at the rate of five percent (5%) per annum, 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 Section 6a of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

## ARTICLE VI

### Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges with respect to water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render negatory such actions of the Authority in the due and prompt implementation of this Supplemental Loan Agreement.

6.2 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Supplemental Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time provided, 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 Supplemental Loan and receiving the Supplemental Bonds, the Authority shall have the right to cancel all or any of its obligations under this Supplemental Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the Loan or the Supplemental 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 Loan Agreement or this Supplemental Loan Agreement.

## ARTICLE VII

### Miscellaneous

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

7.2 Schedules X, Y and Z shall be attached to this Supplemental Loan Agreement at the time of execution hereof by the Authority 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.

7.3 If any provision of this Supplemental 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 Supplemental Loan Agreement, and this Supplemental Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.4 This Supplemental 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 Supplemental Loan Agreement.

7.5 No waiver by either party of any term or condition of this Supplemental 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 Supplemental Loan Agreement.

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

7.7 By execution and delivery of this Supplemental Loan Agreement, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Supplemental Bonds to the Authority and that such obligation may be specifically

enforced or subject to a similar equitable remedy by the Authority.

7.8 This Supplemental Loan Agreement shall terminate upon the earlier of:

(i) termination by the Authority of the Loan Agreement pursuant to Subsections 7.8(i) or (ii) thereof;

(ii) termination by the Authority pursuant to Section 6.2 hereof; or

(iii) payment in full of the principal of the Supplemental Loan and of any fees and charges owed by the Governmental Agency to the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Supplemental Loan Agreement shall not be binding on the Authority until executed by it.

Town of Brockville  
[Proper Name of Governmental Agency]

(SEAL)

By [Signature]  
Its Mayor

Attest:

Date: December 4, 1985

[Signature]  
Its Secretary

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

(SEAL)

By [Signature]  
Director

Attest:

Date: DECEMBER 9, 1985

[Signature]  
Secretary-Treasurer

WDA-Supp. 5X  
(November 1985)

SCHEDULE X  
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	\$ <u>308,106</u>
Purchase Price of Supplemental Bonds	\$ <u>308,106</u>

Principal of the Supplemental Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

As of the date of the Supplemental Loan Agreement, the Supplemental Bonds are subordinate as to source of and security for payment to the following obligations, other than the Local Bonds:

EXHIBIT 1

DEBT SERVICE SCHEDULE

TOWN OF BARRACKVILLE

-----1985 SUPPLEMENTAL BONDS-----

<u>Period Ending T0/1</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
1986	\$ 0.00	\$ 0.00	\$ 0.00
1987	0.00	0.00	0.00
1988	8,108.15	0.00	8,108.15
1989	8,108.05	0.00	8,108.05
1990	8,108.05	0.00	8,108.05
1991	8,108.05	0.00	8,108.05
1992	8,108.05	0.00	8,108.05
1993	8,108.05	0.00	8,108.05
1994	8,108.05	0.00	8,108.05
1995	8,108.05	0.00	8,108.05
1996	8,108.05	0.00	8,108.05
1997	8,108.05	0.00	8,108.05
1998	8,108.05	0.00	8,108.05
1999	8,108.05	0.00	8,108.05
2000	8,108.05	0.00	8,108.05
2001	8,108.05	0.00	8,108.05
2002	8,108.05	0.00	8,108.05
2003	8,108.05	0.00	8,108.05
2004	8,108.05	0.00	8,108.05
2005	8,108.05	0.00	8,108.05
2006	8,108.05	0.00	8,108.05
2007	8,108.05	0.00	8,108.05
2008	8,108.05	0.00	8,108.05
2009	8,108.05	0.00	8,108.05
2010	8,108.05	0.00	8,108.05
2011	8,108.05	0.00	8,108.05
2012	8,108.05	0.00	8,108.05
2013	8,108.05	0.00	8,108.05
2014	8,108.05	0.00	8,108.05
2015	8,108.05	0.00	8,108.05
2016	8,108.05	0.00	8,108.05
2017	8,108.05	0.00	8,108.05
2018	8,108.05	0.00	8,108.05
2019	8,108.05	0.00	8,108.05
2020	8,108.05	0.00	8,108.05
2021	8,108.05	0.00	8,108.05
2022	8,108.05	0.00	8,108.05
2023	8,108.05	0.00	8,108.05
2024	8,108.05	0.00	8,108.05
2025	8,108.05	0.00	8,108.05
	<u>\$308,106.00</u>	<u>\$ 0.00</u>	<u>\$308,106.00</u>

SCHEDULE Y  
REVENUES

In accordance with Subsection 4.1(a) of the Supplemental Loan Agreement, the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as follows:

(i) as prescribed by the Loan Agreement, to pay Operating Expenses of the System;

(ii) as prescribed by the Loan Agreement, to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if the Reserve Account was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof, in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Reserve Account at 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) as prescribed by the Loan Agreement, 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;

(iv) beginning thirteen (13) months prior to the first date of payment of principal of the Supplemental Bonds, to provide debt service on the Supplemental Bonds by depositing in a sinking fund one-twelfth (1/12) of the principal payment next coming due on the Supplemental Bonds and, if the Supplemental Reserve Account was not funded

concurrently with the issuance thereof in an amount equal to the Supplemental Reserve Requirement, by depositing in the Supplemental Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Supplemental Reserve Account at the Supplemental Reserve Requirement or, if the Supplemental Reserve Account has been so funded (whether by monthly deposits or otherwise), any amount necessary to maintain the Supplemental Reserve Account at the Supplemental Reserve Requirement;

(v) to provide debt service on and requisite reserves for any other subordinate indebtedness of the Governmental Agency held or owned by the Authority; and

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

SCHEDULE Z

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.
2. "Local Statute" means Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended.
3. "System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Department of Natural Resources and EPA.
2. The Governmental Agency agrees that it will permit the EPA 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.
3. As a condition precedent to the Authority's making the Supplemental Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Department of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.
4. The Local Act shall contain a covenant substantially as follows:

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental

Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

5. To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for federal financial assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State.

6. Subject to any prior or parity obligations described in Schedules X and Y attached to the Supplemental Loan Agreement, and to the prior lien of the Local Bonds, the net revenues derived from the operation of the System are pledged to the payment of the principal of the Supplemental Bonds.



*Jackson, Kelly*

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: October 21, 1985

CASE NO. 85-307-S-CN

TOWN OF BARRACKVILLE, a municipal corporation, Marion County.

Application for a certificate of convenience and necessity to engage in the business of collecting and treating sewage in the Town of Barrackville, Marion County.

FINAL ORDER

On June 7, 1985, the Town of Barrackville (hereinafter "Barrackville" or "Town"), a municipal corporation, Marion County, filed an application, duly verified, for a certificate of convenience and necessity to construct 49,500 linear feet of sewer mains ranging in diameter from 1-1/4 inches to 10 inches, together with 200 manholes, 6 sanitary pump stations, and all other necessary appurtenances, and to otherwise engage in the business of collecting and treating sewage in the Town of Barrackville and surrounding areas, Marion County. The Town of Barrackville estimated that the project cost of \$3,149,667 will be financed by a \$2,143,389.00 EPA grant, a \$367,278.00 grant from the West Virginia Water Development Authority and a \$639,000.00 local bond issue.

The Applicant was ordered to give notice of the filing of this application by publishing a copy of the Commission's order of June 7, 1985, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Marion County, making due return to the Commission of proper certification of publication. Therein the Commission requested that anyone desiring to make objection to this

application must do so in writing within thirty days after publication of said order.

On June 24, 1985, the Commission received an Affidavit of Publication from the Times-West Virginian, Marion County, indicating that the Town of Barrackville had published the Commission's order of June 7, 1985, in that newspaper on June 18, 1985, as requested. Following this publication, the Commission received no written protest.

The Town submitted an Affidavit of Publication from the Times-West Virginian giving notice of public hearing on the proposed rate ordinance set for September 17, 1985. The published rate of \$3.78 per 1,000 gallons is also contained in the Applicant's revised Rule 42.

By this application, the Town of Barrackville proposes to engage in the business of collecting sewage in the Town of Barrackville and surrounding areas and transporting sewage to the City of Fairmont's treatment facility. Barrackville proposes to construct 49,500 linear feet of sewer main ranging in diameter from 1-1/4 inches to 10 inches, 200 manholes, six (6) sanitary pump stations and all other necessary appurtenances.

The Applicant submitted a copy of the Contract for Treatment by the City of Fairmont of Sewage From the Town of Barrackville and Its Service Area (hereinafter "Agreement"). The Agreement sets forth the terms and conditions for Fairmont's treatment of Barrackville sewage and describes the relationship of the two entities.

The Commission's operating divisions reviewed Barrackville's application for a certificate of convenience and necessity and made initial recommendations by memorandum. Mr. C. E. Windham, Jr. of the Commission's Engineering Division acknowledged receipt of the contract, plans, specifications and documents accompanying the application by memorandum dated

June 19, 1985. On June 28, 1985, Staff Attorney Ann A. Spaner requested that the Applicant submit information and documentation necessary for the Commission Staff to make its final recommendations. Staff Counsel reviewed the Agreement and recommended approval. By memorandum dated July 10, 1985, Utility Financial Analyst Karen M. Macon requested certain additional information and documentation.

By Memorandum dated August 19, 1985 Ms. Macon acknowledged the receipt of additional information and documentation including a letter from the Project Coordinator to the Town's Attorney dated July 30, 1985. This letter purports to expand upon Item 4 of the Agreement between Fairmont and the Town which states that the "charges made to the Town by the Board . . . shall be . . . established by the Board in accordance with fair cost accounting and cost allocation principles." The Project Coordinator presented the following information:

1. The Town will pay a proportionate share of the operating costs of Fairmont's treatment facility, which operating costs are defined as the cost of all labor, power, chemicals, vehicle expenses, maintenance, repair, replacement, improvement, and administrative expenses.
2. The proportionate share paid by the Town will be based on the actual sewage flows. The Town's flow will be metered and compared to the total flow treated at Fairmont's treatment plant.
3. Fairmont will bill the Town on a monthly basis for these services. The amount of this bill will initially be based on projected flows and projected costs.
4. The total annual cost paid by the Town to Fairmont will be adjusted at the end of the year to account for actual versus projected flows and actual versus projected costs.
5. As per item 4 in the agreement, Fairmont will provide the Town with financial reports verifying the costs of operation and maintenance items and the flows treated at the plant.

Ms. Macon recommends that the above-five items be included in the Agreement. She also advised that Fairmont should own the master meter and that

all Fairmont customers should share in the expenses associated with the meter.

By memorandum dated September 20, 1985, Mr. Windham confirmed that the low bid received on the construction conformed to the construction cost estimate contained in the Rule 42. Mr. Windham noted that the Town is proposing a Septic Tank Effluent Pump (STEP) system for three residential customers included in the project. He requested further information on the operation and maintenance of the STEP system. Mr. Windham recommended expense adjustments for the maintenance of the six main pump lift stations, the PSC assessment fee and the vehicle operation and maintenance expenses. Finally, Mr. Windham recommended that the Town's tariff include a schedule for Surcharge Formula to be Applied in the Cases of Users Producing Unusual Waste as adopted in Kingmill Valley Public Service District, Case No. 83-342-S-CN, Final Order entered November 28, 1983. In sum, Mr. Windham recommended that the Commission issue a certificate of convenience and Necessity without a hearing.

On September 12, 1985, Ms. Macon made her final recommendations concerning this application for a certificate of convenience and necessity. Ms. Macon summarized the total project costs as follows:

Construction	\$2,294,238.00
Technical Services	195,128.00
Legal and Fiscal	54,806.00
Administrative	36,000.00
Site and Other Lands	48,000.00
STEP 1 or STEP 2 Loan Repayment	50,416.00
Equipment	46,200.00
Contingency	<u>114,712.00</u>
Total	\$2,839,500.00

Ms. Macon also summarized the sources of funds to finance the project as follows:

EPA Grant	\$1,996,200.00
WDA Grant	243,300.00
WDA Loan	<u>695,000.00</u>
Total	\$2,934,500.00

Ms. Macon indicated that Staff also reviewed the Town's proposed interim financing. The Town proposes to issue Grant Anticipation Notes totaling \$1,770,000.00 at 7% interest for 30 months. The Town has also assumed that the surplus funds available during the construction period will earn 9.25% interest for the total earnings of \$414,455.00. Staff recommended approval of this entire financing package.

In response to Ms. Macon's memorandum of August 19, 1985, the Town of Barrackville and the City of Fairmont each submitted similar letters dated September 10, 1985 and September 4, 1985, respectively, agreeing to enter into an amended contract incorporating her recommendations "provided that this shall not alter the Town's financial liability." These letters of intent state that both municipalities' councils must pass the amended Agreement in order to make it binding. The letters of intent recite the five provisions suggested to clarify Item 4 of the Agreement as well as the list of accounts to be calculated in Barrackville's share of treatment expenses and the following two items:

Any adjusted amounts due or receivable upon completion of the annual review of expenses shall be prorated over three months.

Section 6 paragraph (IV) of the Sewer Service Contract shall be modified to reflect the fact that the Town of Barrackville will own, operate, maintain, test, repair and replace the metering facilities.

The Staff also adjusted certain operating and maintenance expenses. Per the Agreement, the City of Fairmont will charge the Town 2.14% of operating and maintenance treatment expenses booked to Account Nos. 228, 741, 742, 743.1, 743.2, 744, 745, 746, 795, 797, 798, 799, 800.1 and

800.2. Staff used historical data to calculate Barrackville's portion of the City of Fairmont's total projected treatment expenses at \$10,177.00. Further, Staff re-calculated the Town's portion of Fairmont's capital costs associated with the treatment plant. Unlike Barrackville's calculation, Staff's calculation includes a percentage of the reserve requirements but limits recovery of capital costs to those costs associated with the treatment plant only. Staff adjusted the capital costs owed the City of Fairmont to \$19,507.00. In addition, Ms. Macon adopted the Engineering recommendations to adjust transportation costs and the Public Service Commission assessment fee. Ms. Macon reported that the Town will install separate electrical drops for each STEP unit and had already included this maintenance and electrical cost in its Rule 42. Ms. Macon indicates that based on a debt payment schedule prepared by G. L. Cottrill and Company, Inc., the average yearly principal and interest payments will be \$69,708.00. The Staff adjustments as reflected in its proposed cash flow analysis provide a surplus of \$12,512.00 and a coverage of 133%. Staff recommended approval of this application based on the adequacy of the cash flow analysis.

On October 11, 1985 Mr. Windham submitted a memorandum indicating that although the City of Fairmont is experiencing an inflow-infiltration problem, it is correcting this problem and the Town's additional sewage will not overburden the plant on an average daily basis.

On October 17, 1985, the Commission received a letter from Edgar N. Henry, Director of the Water Development Authority (WDA). The letter commits a larger long-term loan at a lower interest rate of seven percent (7%). WDA anticipates net bond proceeds of \$844,000.00, capitalized interest of \$83,000.00 and the bond amount of \$927,000.00. Also on

October 17, 1985, the Commission received a debt service schedule from the Town's investment banker. The debt service schedule showed annual debt service payments approximating those proposed initially by WDA and the Applicant.

The Examiner is of the belief that the proposed permanent and interim financing is sufficient but not more than sufficient to meet the needs of the Town of Barrackville. The revised permanent financing for Barrackville is as follows:

EPA Grant	\$1,996,200
WDA Loan (bond proceeds)	<u>844,000</u>
Total	\$2,840,200

Therefore, Barrackville will have sufficient funding to meet its estimated project cost of \$2,839,500.

Moreover, Staff's calculation of the operating and maintenance expenses is reasonable. The revision of permanent financing structure by WDA will not alter the annual debt service requirements. Staff's adjustments to the charges to Fairmont were based upon actual historical data and the other operating and maintenance expense adjustments were recommended based upon the expertise and experience of the Commission Staff. However, the Examiner finds that in order to grant final approval of this certificate of convenience and necessity, the Town of Barrackville and the City of Fairmont must enter into an amended Agreement incorporating the recommendations of the Commission Staff as itemized in the Fairmont and Barrackville letters of intent to agree. This amended Agreement shall be a condition which must be fulfilled prior to construction.

In consideration of the aforesaid, the Hearing Examiner is of the opinion that the public convenience and necessity require that the District's application for a certificate of public convenience and necessity

be granted to the Town of Barrackville, provided the above condition is fulfilled prior to construction.

IT IS, THEREFORE, ORDERED that the proposed financing of an EPA Grant of \$1,996,200.00 and a WDA Loan at 7% in the amount of \$927,000.00 yielding bond proceeds of \$844,000 is sufficient but not more than sufficient and it is hereby approved and that the interim financing package as reviewed by Staff is reasonable and it is hereby approved.

IT IS FURTHER ORDERED that the rate of \$3.78 per 1,000 gallons as proposed by Applicant and recommended by Staff is sufficient but not more than sufficient and that it is hereby approved. The Town shall submit its tariff to the Commission after enactment of rates in accordance with West Virginia Code §24-2-4b.

IT IS FURTHER ORDERED that the Surcharge Formula to be Applied in the Cases of Users Producing Unusual Waste contained on Appendix A, be adopted by the Town in its schedule of rates and charges and filed with the Commission.

IT IS FURTHER ORDERED that a certificate of convenience and necessity is required by the public convenience and necessity in that this proposed project is adequately financed and economically feasible and the application for certificate of convenience and necessity is hereby granted to the Town of Barrackville to construct and operate 49,500 linear feet of sewer mains, together with 200 manholes, six (6) sanitary pump stations and all other necessary appurtenances to engage in the business of collecting sewage in the Town and surrounding areas, Marion County; provided the Town submits to the Commission prior to construction a copy of the Agreement amended to include the eight items contained in the letters of intent.

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

This order is issued pursuant to General Order No. 212, dated December 16, 1982, which order designates the Division of Hearing Examiners as the initial decision making body in the Public Service Commission and authorizes the Public Service Commission Hearing Examiners to issue orders on behalf of the Commission in all proceedings filed pursuant to Chapter 24 of the West Virginia Code, which proceedings are not set for hearing and which orders shall have the full force and effect of Commission orders, without the provision for the filing of exceptions thereto.

Leave is hereby granted to the parties to file a petition for further hearing, reopening, or rehearing pursuant to Rule 19 of the Commission's Rules of Practice and Procedure with the Executive Secretary of the Commission within ten (10) days after the date this order is mailed.



Amy M. Lecocq  
Hearing Examiner

AML:mal

APPENDIX A

TOWN OF BARRACKVILLE  
CASE NO. 85-307-S-CN

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

- $C_i$  = charge to unusual users per year.
- $V_o$  = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
- $V_i$  = volume of waste water from unusual users, in gallons per year
- $B_o$  = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound
- $B_i$  = weight of BOD from unusual users, in pounds per year
- $S_o$  = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound
- $S_i$  = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in judgment of the Town of Barrackville, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Town of Barrackville records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Town of Barrackville, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

The undersigned, EDGAR N. HENRY, Director of West Virginia Water Development Authority, for and on behalf of West Virginia Water Development Authority (the "Authority") and JACK R. WHITE, JR., Mayor of the Town of Barrackville (the "Governmental Agency"), hereby certify as follows:

1. On the 9th day of December, 1985, the Authority received the entire original issue of \$927,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1985 A and Series 1985 B (collectively, the Governmental Agency Bonds"), issued as a single Bond of each Series, both numbered R-1, and both dated December 9, 1985, the Series A Bond being in the principal amount of \$618,894 and the Series B Bond being in the principal amount of \$308,106.

2. At the time of such receipt of the Governmental Agency Bonds upon original issuance, all of the Governmental Agency Bonds had been executed by Jack R. White, Jr., as Mayor of the Governmental Agency, by his manual signature, and by H. Lester Merrifield, as Recorder of the Governmental Agency, by his manual signature, and the official seal of the Governmental Agency had been imprinted upon the Governmental Agency Bonds.

3. The Governmental Agency has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Governmental Agency Bonds, of the proceeds of the Series A Bonds in the amount of \$618,894 (100% of par), there being no interest accrued thereon. The Governmental Agency anticipates receipt from the Authority of the proceeds of the Series B Bonds in the amount of \$308,106 approximately 30 days following the date hereof, at which time an additional receipt will be delivered by the Governmental Agency.

Payment for the Governmental Agency Bonds as made (and to be made with respect to the Series B Bonds) in the amount of \$927,000, which is required by the Local Act to be used, together with the earnings thereon and certain other moneys available therefor, (i) to pay the costs of issuance of the Governmental Agency Bonds and related costs and (ii) to pay a portion of the

costs of acquisition and construction of sewerage facilities of the Governmental Agency.

IN WITNESS WHEREOF, EDGAR N. HENRY duly signed and delivered this receipt on behalf of WEST VIRGINIA WATER DEVELOPMENT AUTHORITY and the TOWN OF BARRACKVILLE has caused this receipt to be executed by its Mayor, as of this 9th day of December, 1985.

WEST VIRGINIA WATER DEVELOPMENT-AUTHORITY

By Edgar N. Henry  
Its Director

TOWN OF BARRACKVILLE

By [Signature]  
Its Mayor

12/06/85  
BARR1-I



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Kanawha Valley Bank, N.A.  
Charleston,  
West Virginia

Gentlemen:

There are delivered to you herewith:

(1) Bond No. R-1, constituting the entire original issue of the Town of Barrackville Sewer Revenue Bonds, Series 1985 A, dated December 9, 1985, in the principal amount of \$618,894, and Bond No. R-1, constituting the entire original issue of the Town of Barrackville Sewer Revenue Bonds, Series 1985 B, dated December 9, 1985, in the principal amount of \$308,106 (collectively, the "Governmental Agency Bonds") executed by the Mayor and Recorder of the Town of Barrackville (the "Governmental Agency") and bearing the official seal of the Governmental Agency, authorized to be issued under and pursuant to a Bond and Notes Ordinance and Supplemental Bond Resolution duly enacted and adopted by the Governmental Agency (collectively, the "Local Act");

(2) A copy of the Local Act authorizing the above Governmental Agency Bond issue, duly certified by the Recorder of the Governmental Agency;

(3) An executed counterpart of the Loan Agreement dated December 9, and the Supplemental Loan Agreement dated December 9, 1985, by and between the West Virginia Water Development Authority (the "Authority") and the Governmental Agency (collectively, the "Loan Agreement");

(4) A signed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and Governmental Agency Bonds.

You are hereby requested and authorized to deliver the Governmental Agency Bonds to the Authority upon payment to the account of the Governmental Agency of the sum of \$618,894,

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representing the agreed purchase price of the Series A Bonds, there being no accrued interest thereon. Payment for the Series B Bonds will be made approximately 30 days from the date hereof. Prior to such delivery of the Governmental Agency Bonds, you will please cause the Governmental Agency Bonds to be authenticated by an authorized officer, as Governmental Agency Bonds Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated this 9th day of December, 1985.

TOWN OF BARRACKVILLE

By

  
\_\_\_\_\_

Mayor

12/06/85  
BARR1-J



(SPECIMEN BOND - SERIES A)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF BARRACKVILLE  
SEWER REVENUE BOND, SERIES 1985 A

No. R-1

\$618,894

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia in Marion 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 West Virginia Water Development Authority or registered assigns (the "Payee") the sum of SIX HUNDRED EIGHTEEN THOUSAND EIGHT HUNDRED NINETY-FOUR DOLLARS (\$618,894), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor, and until payment of such installment, and such interest shall be payable on the 1st day of April, and the 1st day of October in each year beginning April 1, 1986. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar and paying agent (the "Registrar"). The interest on this Bond is payable by check or draft mailed to the registered owner hereof at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date.

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

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportation facilities of the Issuer (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the

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Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the 3rd day of December, 1985, and a Supplemental Resolution adopted by the Issuer on the 3rd day of December, 1985 (collectively called 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 contemporaneously with the Sewer Revenue Bonds, Series 1985 B, of the Issuer (the "Series 1985 B Bonds") issued in the aggregate principal amount of \$308,106, which Series 1985 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this series.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1985 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1985 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations payable from such revenues, provided however, that so long as there exists in the Series 1985 A Bonds Reserve Account and the reserve account established for the Series 1985 B Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in any succeeding fiscal year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond

Legislation, to which reference is here made for a detailed description thereof.

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

This Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

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

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, and has caused this Bond to be dated December 9, 1985.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1985 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,  
as Bond Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

-----1985 SERIES A BONDS-----

<u>Period Ending 10/1</u>	<u>Coupon</u>	<u>Principal</u> :	<u>Interest</u>	<u>Debt Service</u>
1986	9.75%	\$ 0.00	\$ 48,625.05	\$ 48,625.05
1987	9.75%	0.00	60,342.17	60,342.17
1988	9.75%	1,812.00	60,342.17	62,154.17
1989	9.75%	1,988.00	60,165.50	62,153.50
1990	9.75%	2,182.00	59,971.67	62,153.67
1991	9.75%	2,395.00	59,758.92	62,153.92
1992	9.75%	2,629.00	59,525.41	62,154.41
1993	9.75%	2,885.00	59,269.08	62,154.08
1994	9.75%	3,166.00	58,987.79	62,153.79
1995	9.75%	3,475.00	58,679.11	62,154.11
1996	9.75%	3,814.00	58,340.30	62,154.30
1997	9.75%	4,185.00	57,968.43	62,153.43
1998	9.75%	4,593.00	57,560.39	62,153.39
1999	9.75%	5,041.00	57,112.58	62,153.58
2000	9.75%	5,533.00	56,621.08	62,154.08
2001	9.75%	6,072.00	56,081.61	62,153.61
2002	9.75%	6,664.00	55,489.59	62,153.59
2003	9.75%	7,314.00	54,838.85	62,152.85
2004	9.75%	8,027.00	54,126.74	62,153.74
2005	9.75%	8,810.00	53,344.10	62,154.10
2006	9.75%	9,669.00	52,485.13	62,154.13
2007	9.75%	10,612.00	51,542.40	62,154.40
2008	9.75%	11,646.00	50,507.73	62,153.73
2009	9.75%	12,782.00	49,372.25	62,154.25
2010	9.75%	14,028.00	48,126.00	62,154.00
2011	9.75%	15,396.00	46,758.27	62,154.27
2012	9.75%	16,897.00	45,257.16	62,154.16
2013	9.75%	18,544.00	43,609.70	62,153.70
2014	9.75%	20,352.00	41,801.66	62,153.66
2015	9.75%	22,337.00	39,817.34	62,154.34
2016	9.75%	24,515.00	37,639.49	62,154.49
2017	9.75%	26,905.00	35,249.27	62,154.27
2018	9.75%	29,528.00	32,626.04	62,154.04
2019	9.75%	32,407.00	29,747.06	62,154.06
2020	9.75%	35,567.00	26,587.37	62,154.37
2021	9.75%	39,034.00	23,119.59	62,153.59
2022	9.75%	42,840.00	19,313.78	62,153.78
2023	9.75%	47,017.00	15,136.88	62,153.88
2024	9.75%	51,601.00	10,552.72	62,153.72
2025	9.75%	56,632.00	5,521.62	62,153.62
		<u>\$618,894.00</u>	<u>\$1,851,922.00</u>	<u>\$2,470,816.00</u>

ASSIGNMENT

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:

\_\_\_\_\_  
12/06/85  
BARRI-U



(SPECIMEN BOND - SERIES B)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF BARRACKVILLE  
SEWER REVENUE BOND, SERIES 1985 B

No. R-1

\$308,106

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia in Marion 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 West Virginia Water Development Authority or registered assigns (the "Payee") the sum of THREE HUNDRED EIGHT THOUSAND ONE HUNDRED SIX DOLLARS (\$308,106), in one initial installment of \$8,108.15, on October 1, 1988, and 37 equal annual installments of \$8,108.05 each, on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without 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, through Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar and paying agent (the "Registrar").

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

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportation facilities of the Issuer (the "Project") and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the 3rd day of December, 1985, and a Supplemental Resolution adopted by the Issuer on the 3rd day of December, 1985 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for

the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on the Series 1985 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1985 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1985 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations payable from such revenues, provided however, that so long as there exists in the Series 1985 B Bonds Reserve Account and the reserve account established for the Series A Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on all obligations payable from such net revenues which may be issued in any succeeding fiscal year, such percentage may be reduced to 110%. The 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.

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

This Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1985 A, OF THE ISSUER, ISSUED CONCURRENTLY HERewith AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1985 A BONDS").

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

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, and has caused this Bond to be dated December 9, 1985.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1985 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,  
as Bond Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

-----1985 SUPPLEMENTAL BONDS-----

<u>Period Ending 10/1</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
1986	\$ 0.00	\$ 0.00	\$ 0.00
1987	0.00	0.00	0.00
1988	8,108.15	0.00	8,108.15
1989	8,108.05	0.00	8,108.05
1990	8,108.05	0.00	8,108.05
1991	8,108.05	0.00	8,108.05
1992	8,108.05	0.00	8,108.05
1993	8,108.05	0.00	8,108.05
1994	8,108.05	0.00	8,108.05
1995	8,108.05	0.00	8,108.05
1996	8,108.05	0.00	8,108.05
1997	8,108.05	0.00	8,108.05
1998	8,108.05	0.00	8,108.05
1999	8,108.05	0.00	8,108.05
2000	8,108.05	0.00	8,108.05
2001	8,108.05	0.00	8,108.05
2002	8,108.05	0.00	8,108.05
2003	8,108.05	0.00	8,108.05
2004	8,108.05	0.00	8,108.05
2005	8,108.05	0.00	8,108.05
2006	8,108.05	0.00	8,108.05
2007	8,108.05	0.00	8,108.05
2008	8,108.05	0.00	8,108.05
2009	8,108.05	0.00	8,108.05
2010	8,108.05	0.00	8,108.05
2011	8,108.05	0.00	8,108.05
2012	8,108.05	0.00	8,108.05
2013	8,108.05	0.00	8,108.05
2014	8,108.05	0.00	8,108.05
2015	8,108.05	0.00	8,108.05
2016	8,108.05	0.00	8,108.05
2017	8,108.05	0.00	8,108.05
2018	8,108.05	0.00	8,108.05
2019	8,108.05	0.00	8,108.05
2020	8,108.05	0.00	8,108.05
2021	8,108.05	0.00	8,108.05
2022	8,108.05	0.00	8,108.05
2023	8,108.05	0.00	8,108.05
2024	8,108.05	0.00	8,108.05
2025	8,108.05	0.00	8,108.05
	<u>\$308,106.00</u>	<u>\$ 0.00</u>	<u>\$308,106.00</u>

(ASSIGNMENT)

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:

\_\_\_\_\_  
12/06/85  
BARR1-V



# STEPTOE & JOHNSON

ATTORNEYS AT LAW

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December 9, 1985

CHARLESTON

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CHARLES W. YEAGER

CARL F. STUCKY, JR.

OTIS L. O'CONNOR

WAYNE A. SINCLAIR

JAMES R. WATSON

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CHRISTOPHER P. BASTIEN

STEVEN R. MCGOWAN

OF COUNSEL

ROBERT W. LAWSON, JR.

WILLIS O. SHAY

WRITER'S DIRECT DIAL NUMBER

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ERNEST C. SWIGER  
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WILLIAM E. GALEOTA  
GORDON H. COPLAND  
RANDALL C. LIGHT  
RICHARD M. YURKO, JR.  
GARY W. NICKERSON

Town of Barrackville  
Sewer Revenue Bonds, Series 1985 A

West Virginia Water Development Authority  
1201 Dunbar Avenue  
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to the Town of Barrackville (the "Governmental Agency"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated December 9, 1985 (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated December 9, 1985 (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of \$618,894, originally issued in the form of one bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning April 1, 1986, at the rate of 9.75% per annum, and with principal installments payable on October 1 in each of the years 1988 through 2025, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement.

The Local Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purpose of paying a portion of the costs of acquisition and construction of new sewage collection and

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transportation facilities (the "Project") and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Local Statute, under which the Local Bonds are issued, and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Local Bonds have been authorized by a bond and notes ordinance and a supplemental resolution (collectively, the "Local Act") duly enacted and adopted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. 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:

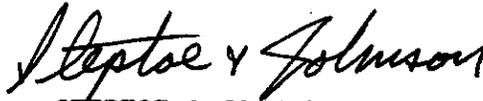
1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency enforceable in accordance with the terms thereof.
2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.
3. The Governmental Agency is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.
4. The Governmental Agency has legally and effectively adopted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Governmental Agency Bonds.
5. The Local Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the System referred to in the Local Act and secured by a first lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.
6. The Local Bonds are, under the Local Act, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, 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 exempt from federal income taxation. Interest on the Local Bonds is exempt from personal income taxes imposed directly thereon by the State of West Virginia.

No opinion is given herein as to the enforceability of remedies with respect to the Local Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

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

Very truly yours,

  
STEPTOE & JOHNSON

12/06/85  
BARR1-K



# STEPTOE & JOHNSON

ATTORNEYS AT LAW

## CLARKSBURG

EUGENE G. EASON  
RALPH BOHANNON  
ERNEST C. SWIGER  
HERBERT G. UNDERWOOD  
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HERSCHEL H. ROSE III  
CHRISTOPHER P. BASTIEN  
STEVEN P. MCGOWAN

OF COUNSEL

ROBERT W. LAWSON, JR.  
WILLIS O. SHAY

December 9, 1985

WRITER'S DIRECT DIAL NUMBER

Town of Barrackville  
Sewer Revenue Bonds, Series 1985 B

West Virginia Water Development Authority  
1201 Dunbar Avenue  
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to the Town of Barrackville (the "Governmental Agency"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a supplemental loan agreement, dated December 9, 1985 (the "Supplemental Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of supplemental, subordinate revenue bonds of the Governmental Agency, dated December 9, 1985 (the "Supplemental Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Supplemental Bonds are in the principal amount of \$308,106, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years 1988 through 2025, inclusive, all as set forth in "Schedule X," attached to the Supplemental Loan Agreement.

The Supplemental Loan Agreement is supplemental to a loan agreement dated December 9, 1985, also between the Governmental Agency and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the bonds issued pursuant to the Loan Agreement (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

The Supplemental Bonds are issued, together with the Local Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purpose of paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Local Statute, under which the Supplemental Bonds are issued, and the Supplemental Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Supplemental Bonds have been authorized by a bond and notes ordinance and a supplemental bond resolution (collectively, the "Local Act") duly enacted and adopted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement. The Supplemental 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 Supplemental 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 Supplemental 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 Supplemental Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.
3. The Governmental Agency is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Supplemental Loan Agreement and to issue and sell the Supplemental Bonds, all under the Local Statute and other applicable provisions of law.
4. The Governmental Agency has legally and effectively enacted and adopted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Supplemental Bonds.
5. The Supplemental Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the System referred to in the Local Act and secured by a lien on and pledge of the net revenues of said System, all in accordance with the terms of the Supplemental Bonds and the Local Act, and have been duly issued and delivered

to the Authority. Said lien and pledge are junior, subordinate and inferior to that created for the Local Bonds.

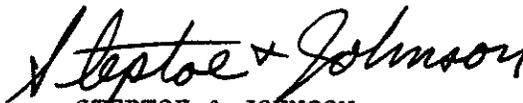
6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Supplemental Bonds, as provided in the Local Act.

7. The Supplemental Bonds are, under the Local Act, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Supplemental Bonds is exempt from federal income taxation. Interest on the Supplemental Bonds is exempt from personal income taxes imposed directly thereon by the State of West Virginia.

No opinion is given herein as to the enforceability of remedies with respect to the Supplemental Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined the executed Supplemental 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,

  
STEPTOE & JOHNSON

12/06/85  
BARR1-L



# STEPTOE & JOHNSON

ATTORNEYS AT LAW

## CLARKSBURG

EUGENE G. EASON  
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December 9, 1985

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STEVEN P. MCGOWAN

OF COUNSEL

ROBERT W. LAWSON, JR.  
WILLIS O. SHAY

WRITER'S DIRECT DIAL NUMBER

Town of Barrackville  
Sewer Revenue Bonds, Series 1985 A and Series 1985 B

West Virginia Water Development Authority  
1201 Dunbar Avenue  
Dunbar, West Virginia 25064

Gentlemen:

We have examined a transcript of proceedings relating to the issuance of \$927,000 aggregate principal amount of Sewer Revenue Bonds, Series 1985 A and Series 1985 B (collectively, the "Governmental Agency Bonds") of the Town of Barrackville (the "Governmental Agency"), and a Certificate as to Arbitrage executed by the Mayor of the Governmental Agency on this date.

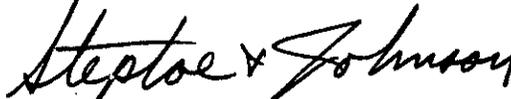
We are of the opinion that the facts, estimates and circumstances set forth in the Certificate as to Arbitrage are sufficient to satisfy the requirements of Section 103(c) of the Internal Revenue Code of 1954, as amended, and Treasury Regulations promulgated thereunder, particularly Sections 1.103-13, 1.103-14 and 1.103-15, to support the conclusion that the Governmental Agency Bonds are not "arbitrage bonds" as therein defined. No matters have come to our attention which make unreasonable or incorrect the representations made in said Certificate.

Accordingly, it is our opinion that the Governmental Agency Bonds are not "arbitrage bonds" as so defined. Moreover, it is further our opinion

West Virginia Water Development Authority  
Page 2

that interest on the Governmental Agency Bonds is exempt from Federal income taxation under the existing statutes, regulations, rulings and court decisions.

Very truly yours,

A handwritten signature in cursive script that reads "Steptoe & Johnson". The signature is written in dark ink and is positioned above the firm's name.

STEPTOE & JOHNSON

12/06/85  
BARR1-M



THARP, LIOTTA & JANES

ATTORNEYS AT LAW

FIRST NATIONAL BANK BUILDING  
FAIRMONT, WEST VIRGINIA 26554

P. O. BOX 1509

December 9, 1985

TELEPHONE (304) 363-1123

I. SCOTT THARP  
JAMES A. LIOTTA  
DAVID R. JANES  
KAREN M. YOKUM

Town of Barrackville  
Sewer Revenue Bonds, Series 1985 A and Series 1985 B

West Virginia Water Development Authority  
1201 Dunbar Avenue  
Dunbar, West Virginia 25064

Steptoe & Johnson  
Union National Center East, 6th Floor  
Post Office Box 2190  
Clarksburg, West Virginia 26302-2190

Gentlemen:

We are counsel to the Town of Barrackville, in Marion County, West Virginia (the "Governmental Agency"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson, as bond counsel, the Loan Agreement and Supplemental Loan Agreement by and between the West Virginia Water Development Authority (the "Authority") and the Governmental Agency, dated December 3, 1985, the Local Act (as defined therein) and other documents relating to the above-captioned Bonds of the Governmental Agency. Terms used in said opinions, Local Act and Loan Agreement and Supplemental Loan Agreement and not otherwise defined herein have the same meanings herein.

We are of the opinion that:

1. The Loan Agreement and Supplemental Loan Agreement have been duly authorized, executed and delivered by the Governmental Agency and, assuming due authorization, execution and delivery by the Authority, constitute valid and binding agreements of the Governmental Agency in accordance with their terms.

2. The members of the Council of the Governmental Agency have been duly and properly elected and are thereby authorized to act on behalf of the Governmental Agency.

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3. The Local Act has been duly adopted by the Governmental Agency and is in full force and effect.

4. The execution and delivery of the Governmental Agency Bonds and the Loan Agreement and Supplemental Loan Agreement and the consummation of the transactions contemplated by the Loan Agreement, 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 Governmental Agency a breach of or default under any agreement or other instrument to which the Governmental Agency is a party or any existing law, regulation, court order or consent decree to which the Governmental Agency is subject.

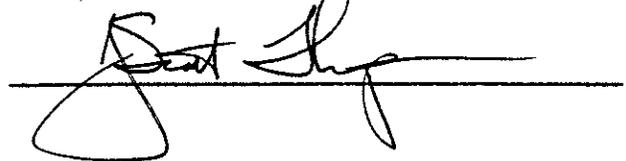
5. The Governmental Agency has received all the permits, licenses, approvals, and authorizations necessary for the issuance of the Governmental Agency Bonds, to construct the Project and impose rates and charges, and has taken any other action required for the imposition of such rates and charges, including, without limitation, all requisite orders and approvals from the Public Service Commission of West Virginia.

6. To the best of my 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 any unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement or the validity of the Governmental Agency Bonds.

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

Very truly yours,

THARP, LIOTTA & JAMES



A handwritten signature in black ink, appearing to read "Scott Sharp", is written over a horizontal line. The signature is stylized and cursive.

TLJ:r



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

GENERAL CERTIFICATE OF GOVERNMENTAL AGENCY 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. GRANTS
11. LOAN AGREEMENT
12. SIGNATURES AND DELIVERY
13. GOVERNMENTAL AGENCY BONDS PROCEEDS
14. PUBLICATION, PUBLIC HEARING AND NO PROTEST
15. SPECIMEN GOVERNMENTAL AGENCY BONDS

We, the undersigned MAYOR and the undersigned RECORDER of the Town of Barrackville, in Marion County, West Virginia (the "Governmental Agency"), and the undersigned ATTORNEY for the Governmental Agency, hereby certify in connection with \$927,000 aggregate principal amount of the Town of Barrackville Sewer Revenue Bonds, Series 1985 A and Series 1985 B (collectively, the "Governmental Agency 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 in the Bond and Notes Ordinance of the Governmental Agency, finally enacted on December 3, 1985, following public hearing thereon, and a Supplemental Bond Resolution adopted December 3, 1985 (collectively, the "Local Act").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Governmental Agency Bonds, receipt of the Grant Receipts, or in any way contesting or affecting the validity of the Governmental Agency Bonds or the Grants or any proceedings of the Governmental Agency taken with respect to the issuance or sale of the Governmental Agency Bonds, the pledge or application of any moneys or security

provided for the payment of the Governmental Agency Bonds or the existence or the powers of the Governmental Agency insofar as they relate to the authorization, sale and issuance of the Governmental Agency Bonds, receipt of the Grant Receipts or such pledge or application of moneys and security.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals and certificates required by law for construction of the Project, operation of the System and issuance of the Governmental Agency Bonds have been or can be duly and timely obtained and remain in full force and effect, and competitive bids for construction of the Project 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 Governmental Agency since the approval and execution and delivery by the Governmental Agency of the Loan Agreement. There are no outstanding debt obligations of the Governmental Agency, or obligations for which full and irrevocable provision for payment has not been made, which are secured by revenues or assets of the System.

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:

Charter of Town of Barrackville.

Ordinance Creating Sanitary Board.

Petition of Sanitary Board.

Bond and Notes Ordinance.

Supplemental Bond Resolution.

Rate Ordinance

Affidavit of Publication of Abstract of  
Bond and Notes Ordinance and Notice

Affidavit of Publication of Rate Ordinance

Minutes on Enactment of Bond and Notes  
Ordinance and Supplemental Bond Resolution.

Loan Agreement.

Supplemental Loan Agreement.

Sewage Treatment Contract with the City of  
Fairmont.

EPA Grant Agreement, as Amended.

Public Service Commission Final Order  
entered October 21, 1985.

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Governmental Agency is "Town of Barrackville" and it is a municipal corporation in Marion County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Governmental Agency is its Council consisting of 7 members whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>		<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Jack R. White, Jr.	- Mayor	July 1, 1984	June 30, 1986
H. Lester Merrifield	- Recorder	July 1, 1984	June 30, 1986
James D. Doyle	- Councilmember	July 1, 1984	June 30, 1986
Paul Faber	- Councilmember	July 1, 1984	June 30, 1986
Donald L. Neptune	- Councilmember	July 1, 1984	June 30, 1986
Thomas W. Hall	- Councilmember	July 1, 1984	June 30, 1986
Allen Alberti	- Councilmember	July 1, 1984	June 30, 1986

The names of the duly appointed and acting members of the Sanitary Board of the Governmental Agency are as follows:

Chairman	-	Jack R. White, Jr.
Member	-	Paul H. Caughey
Member	-	Homer Orr

The duly appointed and acting Attorney for the Governmental Agency is J. Scott Tharp of Fairmont, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction of the Project and operation and maintenance of the System have been

acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Governmental Agency 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 Governmental Agency to pay for the same without jeopardizing the security of or payments on the Governmental Agency Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Governmental Agency in any way connected with the construction, acquisition, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Governmental Agency duly and regularly called and held pursuant to the Charter and Rules of Procedure of the Governing Body and all applicable statutes, including Chapter 6, Article 9A, of the Official West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the Governing Body was present and acting at all times during all such meetings.

9. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Local Act.

10. GRANTS: As of the date hereof, the EPA has committed to the Governmental Agency the approximate amount of \$1,966,200, all of which, assuming that construction of the Project progresses as presently expected and receipt of EPA Grant installments does not lag expenditures by more than 120 days (except that amount withheld by the EPA pending satisfactory completion of the EPA audit) is expected to be received prior to the maturity of the Notes. Said commitment of EPA is as of this date is still in force and effect.

11. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Governmental Agency 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; and (iii) to the best knowledge of the undersigned, no event affecting the Governmental Agency has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is

to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor, did officially sign all of the Governmental Agency Bonds of the aforesaid issue, all dated December 9, 1985, by his manual signature, and the undersigned Recorder did officially cause the official seal of the Governmental Agency to be imprinted upon each of said Governmental Agency Bonds and to be attested by his manual signature, and the Registrar did officially authenticate and deliver the Governmental Agency Bonds to a representative of the Authority as the original purchaser of the Governmental Agency Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

13. GOVERNMENTAL AGENCY BONDS PROCEEDS: On the date hereof the Governmental Agency received from the Authority the agreed purchase price of the Series A Bonds, being \$618,894 (100% of par value), there being no interest accrued thereon. The agreed purchase price of the Series B Bonds, being \$308,106 is expected to be received approximately 30 days following the date hereof.

14. PUBLICATION, PUBLIC HEARING AND NO PROTEST: Upon adoption of the Ordinance, an abstract of the Ordinance, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for two successive weeks, with not less than six 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 a newspaper having a general circulation in the Town of Barrackville, together with a notice to all persons concerned, stating that the Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds and Notes described in the Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 3rd day of December, 1985, at 7:00 p.m., in the Council Chamber of the Town Hall of the Issuer and present protests, and stating that a certified copy of the Ordinance was on file with the Council for review by interested parties during the office hours of the Recorder. At such hearing all objections and suggestions were heard by the Governing Body and there being no public protests, written or oral, the Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. SPECIMEN GOVERNMENTAL AGENCY BONDS: Delivered concurrently herewith are true and accurate specimens of the Governmental Agency Bonds.

WITNESS our signatures and the official seal of the TOWN OF BARRACKVILLE on this 9th day of December, 1985.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

*[Signature]* Mayor

*N. Lester Merrifield* Recorder

*[Signature]* Attorney for Governmental Agency

12/06/85  
BARRI-0



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

CERTIFICATE AS TO ARBITRAGE

I, JACK R. WHITE, JR., Mayor of the Town of Barrackville, in Marion County, West Virginia (the "Governmental Agency"), being one of the officials of the Governmental Agency duly charged with the responsibility for the issuance of \$927,000 aggregate principal amount of Sewer Revenue Bonds, Series 1985 A and Series 1985 B, of the Governmental Agency dated December 9, 1985 (the "Governmental Agency Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Sections 1.103-13, 1.103-14 and 1.103-15 of the Income Tax Regulations (the "Regulations") promulgated under Section 103(c) of the Internal Revenue Code of 1954, as amended ("Section 103(c)"). I am one of the officers of the Governmental Agency charged with the responsibility of issuing the Governmental Agency Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Governmental Agency.

2. This certificate may be relied upon as the certificate of the Governmental Agency.

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Governmental Agency in existence on December 9, 1985, the date on which the Governmental Agency Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Governmental Agency set forth herein are reasonable.

5. In the Local Act pursuant to which the Governmental Agency Bonds are issued, the Governmental Agency has covenanted to make no use of the proceeds of the Governmental Agency Bonds which

would cause the Governmental Agency Bonds to be "arbitrage bonds" within the meaning of the Regulations or Section 103(c).

6. The Governmental Agency Bonds were sold on December 9, 1985, to the West Virginia Water Development Authority (the "Authority") for a purchase price of \$927,000.

7. The Governmental Agency Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purpose of providing funds to pay the costs of issuance of the Governmental Agency Bonds, and to pay the local share of the costs of acquisition and construction of certain sanitary sewage facilities (the "Project"), for the Governmental Agency. The remainder of such costs are expected to be paid from a grant from the United States Environmental Protection Agency ("EPA"), prior to the receipt of which Grant Anticipation Notes are expected to be issued and the proceeds thereof and earnings thereon expended to pay costs of the Project.

8. The Governmental Agency has, prior to delivery of the Governmental Agency Bonds, entered into agreements which require the Governmental Agency to expend in excess of \$100,000 on the Project. The Governmental Agency expects that acquisition, construction and equipping of the Project will proceed with due diligence to completion, and that all of the proceeds from the sale of the Governmental Agency Bonds will be spent on or before March, 1987.

9. The total cost of the Project is estimated at \$2,840,200. The amount of Project costs not expected to be reimbursed or paid from the EPA grant is estimated to be at least \$927,000. Except for the funds set forth in paragraph 7 above, no other funds of the Governmental Agency will be available to meet costs of the Project, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

10. Pursuant to Article IV of the Local Act, the following special funds or accounts have been created:

- (1) Revenue Fund;
- (2) Operation and Maintenance Fund;
- (3) Renewal and Replacement Fund;
- (4) Bond Construction Trust Fund;

(5) Series 1985 A Bonds Sinking Fund, and within the Series 1985 A Bonds Sinking Fund, the Series 1985 A Bonds Reserve Account; and

(6) Series 1985 B Bonds Sinking Fund, and within the Series 1985 B Bonds Sinking Fund, the Series 1985 B Bonds Reserve Account.

11. Pursuant to Article VI of the Local Act the proceeds of the Bonds will be deposited as follows:

(1) From proceeds of the Series A Bonds the sum of \$83,000 shall be deposited in the Series A Bonds Sinking Fund to be applied, together with investment earnings thereon, to payment of interest on the Series A Bonds to and including June 1, 1987.

(2) The balance of the proceeds of the Governmental Agency Bonds will be deposited in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project.

12. All moneys in the Sinking Funds (including any income earned thereon) will be held for the payment of the interest to accrue on the Governmental Agency Bonds on or prior to the maturity thereof. Moneys held in the Sinking Funds will be used solely to pay principal of and interest on the Governmental Agency Bonds and will not be available to meet costs of construction of the Project.

13. Except for the Sinking Funds (including the Reserve Accounts established therein), there are no other funds or accounts established or held by the Governmental Agency which are reasonably expected to be used to pay debt service on the Governmental Agency Bonds or which are pledged as collateral for the Governmental Agency Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Governmental Agency Bonds, if the Governmental Agency encounters financial difficulties.

14. The Governmental Agency expects that no part of the Project financed by the Bonds will be sold prior to the last maturity date of the Governmental Agency Bonds.

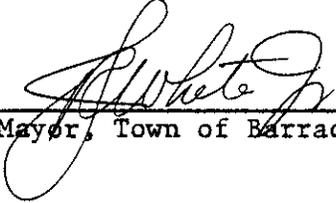
15. At least 85% of the spendable proceeds of the Governmental Agency Bonds will be expended on the Project within 15 months from the date of issuance thereof.

16. Any money deposited in a sinking fund for payment of the principal of or interest on the Governmental Agency Bonds (other than the Reserve Accounts) will be spent within a 13-month period beginning on the date of receipt.

17. The original proceeds of the Governmental Agency Bonds will not exceed the amount necessary for the purposes of the issue.

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

IN WITNESS WHEREOF, I have set my hand this 9th day of December, 1985.

  
\_\_\_\_\_  
Mayor, Town of Barrackville

12/06/85  
BARRI-P



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

ENGINEER'S CERTIFICATE

I, James W Saunders, Jr., Registered Professional Engineer, West Virginia License No. 5678 of BERNARD C. SAMPSON CO., INC., Consulting Engineers, Fairmont, West Virginia, hereby certify as follows:

1. My firm is engineer for the construction and acquisition of certain public service properties for the collection of sewage and industrial wastes (the "Project") for the Town of Barrackville, in Marion County, West Virginia (the "Governmental Agency"). Certain costs of such construction and acquisition are being financed in part by proceeds of the above-captioned bonds (the "Governmental Agency Bonds") and out of certain grant proceeds from the United States Environmental Protection Agency (the "EPA").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm, or amendments thereto and as described in the Application submitted to the WDA and approved by all necessary governmental bodies and is situate wholly or chiefly within the boundaries of the Town of Barrackville; (ii) the Project is adequate for the purpose for which it was designed and all necessary governmental approvals and permits for the construction thereof have been obtained; (iii) I have examined and reviewed all plans, specifications, bid documents and construction contracts relating to the Project and all bids for construction of the Project have been received in an amount compatible with the plan of financing described in said Application and I have ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy and completeness; (iv) the Governmental Agency has obtained all permits required by the laws of the State of West Virginia and the United States of America necessary for construction of the Project or will have received all such permits prior to commencement of construction of the Project, including permits from the EPA and the West Virginia Department of Natural Resources; (v) the construction and funding for the Project should proceed to a successful conclusion within the time schedules proposed; and (vi) the rates and charges for the sewerage system of

the Governmental Agency comply with the applicable provisions of the Loan Agreement by and between WDA and the Governmental Agency.

WITNESS my signature on this 6th day of December, 1985.

BERNARD G. SAMPSON CO., INC.

By James W. Sandberg

12/04/85  
BARRI-Q



CERTIFICATE OF INCORPORATION FOR TOWN OF  
BARRACKVILLE AS A CLASS IV TOWN

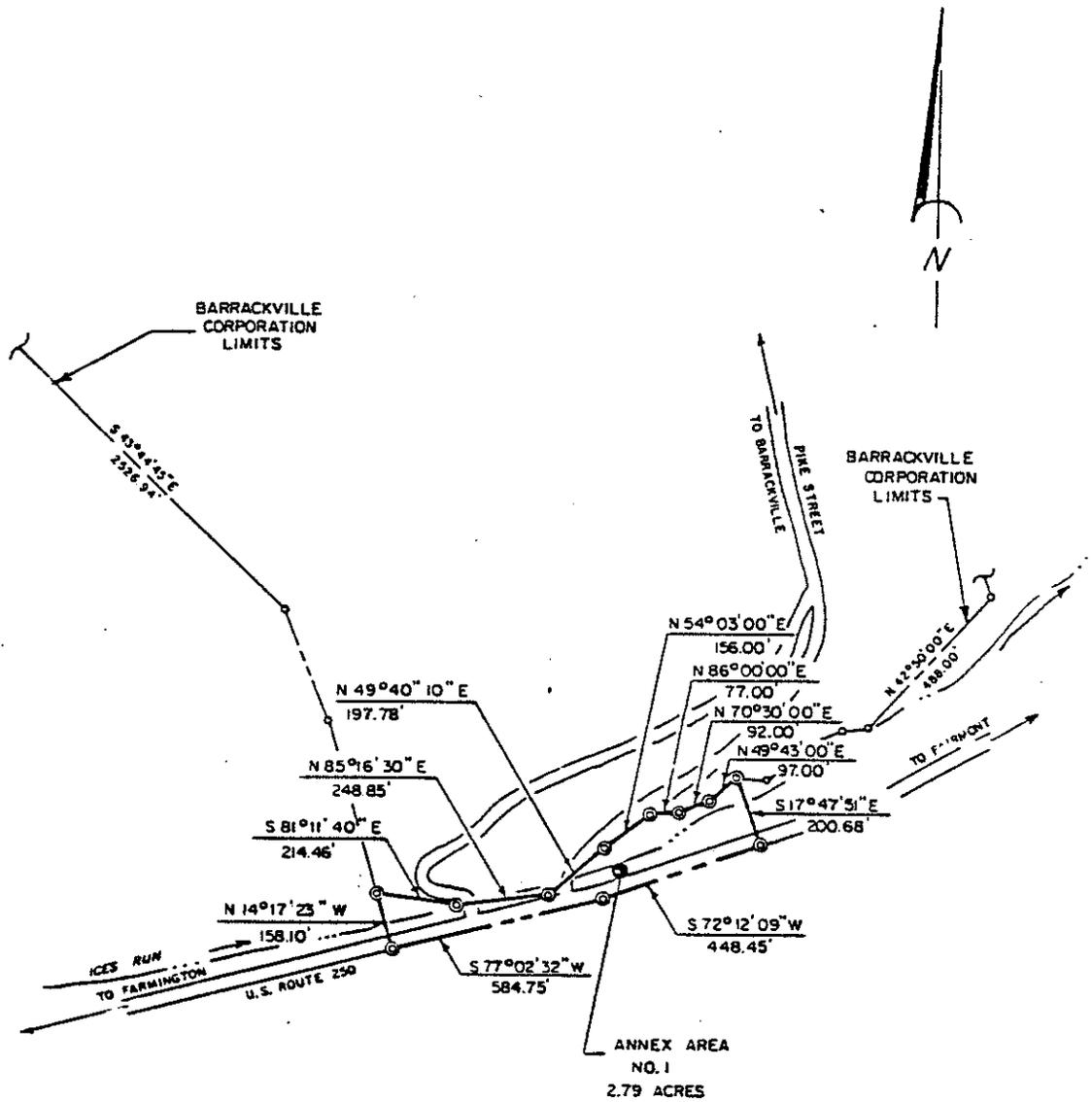
It appearing to the County Court of Marion County, West Virginia, that under the provisions of Article 2, Chapter 8 of the Code of West Virginia at an election duly held on the 16th day of January, 1968, a majority of the votes cast on the question of incorporation by qualified voters residing in the following boundary, to-wit: beginning at a stake in Buffalo Creek at the point where Moody Run empties into said Buffalo Creek, and running thence with the meanders of Buffalo Creek, N. 78° 49' 30" E. 44.75 feet; thence N. 76° 04' 30" E. 874.50 feet; thence N. 85° 49' 30" E. 594.00 feet; thence S. 78° 16' E. 346.42 feet; thence N. 79° 06' E. 310 feet; thence N. 37° 20' E. 220.00 feet; thence N. 37° 18' 23" E. 550.42 feet; thence leaving Buffalo Creek and running with an arbitrary line through lands of John W. Ice and others, S. 43° 44' 45" E. 2526.94 feet to a stake near a small run; thence with two lines in the general direction of said small run, S. 19° 42' 08" E. 329.28 feet; thence S. 14° 17' 23" E. 500.89 feet to a stake in Ice's Run; thence with two lines running with said Ice's Run, S. 81° 11' 40" E. 214.46 feet; thence N. 85° 16' 30" E. 248.85 feet to a stake at or near the small bridge leading from U. S. Route No. 250 to Pike Street; thence with several lines running generally with the meanders of Ice's Run, N. 49° 40' 10" E. 197.78 feet; thence N. 54° 03' E. 156.00 feet; thence N. 86° E. 77 feet; thence N. 70° 30' E. 92 feet; thence N. 49° 43' E. 97 feet; thence S. 84° E. 80 feet; thence N. 57° 30' E. 85 feet; thence N. 40° 33' E. 69 feet; thence N. 66° 40' E. 92 feet; thence N. 87° 10' E. 74 feet; thence N. 42° 50' E. 488.00 feet; thence N. 17° 33' W. 99 feet; thence N. 28° E. 50 feet; thence N. 79° 21' E. 170 feet; thence N. 22° 38' W. 86 feet; thence N. 26° 07' E. 466.00 feet; thence N. 68° 20' E. 560.00 feet;

thence with an arbitrary line leaving said Ice's Run and running to Buffalo Creek, N. 19° 06' E. 900.00 feet to a point in Buffalo Creek; thence running with Buffalo Creek, N. 47° W. 377.00 feet; thence N. 76° 30' W. 449.00 feet; thence N. 34° 10' W. 1152.00 feet; thence N. 59° 53' W. 1240.00 feet; thence N. 83° 15' W. 190.00 feet; thence leaving said Buffalo Creek and running in a generally northerly direction east of and generally parallel to Finch's Run and West Virginia Secondary Route No. 21, N. 5° 57' E. 323.78 feet; thence N. 16° 56' E. 584.56 feet to a stake; thence N. 12° 06' W. 700.49 feet to a stake; thence N. 24° 31' W. 331.93 feet to a stake; thence N. 0° 06' W. 829.00 feet to a stake; thence N. 10° 58' E. 1018.60 feet to a stake; thence with a line crossing West Virginia Secondary Route No. 21, W. 400.00 feet to a stake; thence running in a generally southerly direction west of and generally parallel with West Virginia Secondary Route No. 21, S. 11° 38' 24" W. 1021.00 feet to a stake; thence S. 3° 12' 10" W. 832.30 feet to a stake; thence S. 16° 18' E. 706.60 feet to a stake; thence S. 24° 59' W. 363.50 feet to a stake in Robison Run; thence S. 6° 06' 30" W. 384.73 feet to a stake; thence S. 29° 07' E. 395.00 feet to a point in Buffalo Creek; thence with a line running with Buffalo Creek, S. 62° 09' 46" W. 1306.04 feet; thence leaving said Buffalo Creek, N. 40° 15' 30" W. 255.75 feet to a stake; thence with three lines of land owned by Bethlehem Mines Corporation and others, S. 63° 46' 39" W. 858.00 feet to a stake; thence S. 58° 57' 55" W. 348 feet to a stake; thence with a line near the northern edge of School Street, S. 65° 08' 19" W. 255.02 feet to a stake; thence N. 24° 51' 14" W. 110.00 feet to a stake; thence with land of Bethlehem Mines Corporation, S. 65° 08' 19" W. 461.39 feet to a stake; thence S. 10° 11' 53" W. 1611.47 feet to a stake; thence with a line running across the Moody Run Road, S. 69° 07' 17" W. 233.27 feet to a point in Moody Run; thence with three lines running generally with Moody Run, S. 17° 45' E. 464.94 feet; thence S. 1° 45' W. 440.00 feet; thence S. 19° 27' 36" E. 330.00 feet to the place of

beginning, containing 417.522 acres, or 0.652 square miles, more or less; were cast in favor of the incorporation of the Town of Barrackville in the County of Marion, bounded as herein set forth. And as it appears to the satisfaction of the Court that all of the provisions of Article 2, Chapter 8 of the Code of West Virginia have been complied with by the petitioners for said incorporation, said town is hereby declared to be a body corporate, duly authorized to exercise all of the corporate powers conferred upon towns or villages by Articles 3 to 15, inclusive, of Chapter 8 of the Code of West Virginia, from and after the date of this certificate.

Dated this 25<sup>th</sup> day of January, 1968.

*Joan L. Dennis*  
Clerk of the County Court of Marion  
County, West Virginia



PLAT SHOWING  
 AREA TO BE ANNEXED  
 BY  
 THE TOWN OF BARRACKVILLE  
 WEST VIRGINIA  
 SCALE 1" = 400' JAN. 8, 1985

BERNARD G. SAMPSON COMPANY INC.  
 CONSULTING ENGINEERS  
 FARMINGTON, WEST VIRGINIA

IN THE COUNTY COMMISSION OF MARION COUNTY, WEST VIRGINIA

UPON APPLICATION FOR ANNEXATION OF LAND  
INTO THE TOWN OF BARRACKVILLE BY MINOR  
BOUNDARY ADJUSTMENTS

O R D E R

On the 9th day of April, 1985, came the Town of Barrackville, a municipal corporation, by J. Scott Tharp, its attorney, pursuant to the order of this Commission entered March 19, 1985, setting a public hearing at this time on the application of the Town of Barrackville for proposed annexation to its corporate limits by minor boundary adjustments.

No freeholders of the areas proposed to be annexed were present or represented, and no opposition to the proposed boundary changes was demonstrated at the hearing. Based upon the application, previously filed, of the Town of Barrackville, and it appearing that the proposed annexation constitutes only minor boundary adjustments, and that good cause for said annexation has been demonstrated by the Town of Barrackville, it appearing that publication of a notice of this hearing has been published in the Times-West Virginian on two occasions as required by West Virginia Code 8-6-5, that a like notice of this hearing has been prominatly posted at not less than five public places within the areas proposed to be annexed, and that

there is no opposition to the proposed boundary change, it is hereby ordered that the corporate limits of the Town of Barrackville, a municipal corporation, are hereby changed, and the following areas are hereby annexed to the corporate limits of said Town by minor boundary adjustments, said two parcels of real estate being located in Fairmont District, Marion County, West Virginia, and described as follows:

ANNEX AREA NO. 1: Beginning at a point in Ice's Run, said point being the eleventh corner from the beginning of the Certificate of Incorporation for the Town of Barrackville, thence with two lines running with said Ice's Run, S. 81° 11' 40" E. 214.46 feet; thence N. 85° 16' 30" E. 248.85 feet to a stake at or near the small bridge leading from U.S. Route No. 250 to Pike Street; thence with several lines running generally with the meanders of Ice's Run, N. 49° 40' 10" E. 197.78 feet; thence N. 54° 03' 00" E. 156.00 feet; thence N. 86° 00' 00" E. 77.00 feet; thence N. 70° 30' 00" E. 92.00 feet; thence N. 49° 43' 00" E. 97.00 feet to a point in Ice's Run; thence leaving Ice's Run up the hill and crossing U.S. Route No. 250, S. 17° 47' 51" E. 200.68 feet more or less to a point on the southerly right of way line of said U.S. Route No. 250; thence with two lines along the said southerly right of way line, S. 72° 12' 09" W. 448.45 feet; thence S. 77° 02' 32" W. 584.75 feet to a point in the said right of way line; thence crossing U.S. Route

No. 250, N. 14° 17' 23" W. 158.10 feet more or less to the point of beginning, containing 2.79 acres.

ANNEX AREA NO. 2: Beginning at a point in Buffalo Creek where Moody Run empties into said Buffalo Creek, and running with four lines of said Buffalo Creek, thence N. 88° 35' 58" W. 102.76 feet; thence S. 81° 04' 28" W. 371.01 feet; thence N. 66° 45' 04" W. 106.68 feet; thence N. 49° 47' 57" W. 541.31 feet to a point; thence leaving said Buffalo Creek, N. 32° 58' 31" E. 396.84 feet more or less to a point on the northerly right of way line of West Virginia Route No. 250/32; thence running with five lines along the said northerly right of way line, S. 58° 04' 01" E. 477.11 feet; thence S. 66° 03' 55" E. 56.01 feet; thence S. 80° 29' 47" E. 42.70 feet; N. 89° 52' 32" E. 45.86 feet; thence N. 80° 53' 44" E. 115.04 feet to a point in Moody Run; thence crossing West Virginia Route No. 250/32 and running with Moody Run and two lines of the original Corporate Limits for the Town of Barrackville, S. 01° 45' 00" W. 94.44 feet more or less to a point; thence S. 19° 27' 36" E. 330.00 feet to the point of beginning, containing 8.97 acres.

From the date of this order, the corporate limits of the Town of Barrackville shall include the above described real estate.

It is further ordered that the Town of Barrackville shall pay the costs of all proceedings herein.

Enter this 9th day of April, 1985.

Jess Borowski

Betty Hill

MARION COUNTY COMMISSION



ORDINANCE NO. 30

AN ORDINANCE CREATING A SANITARY BOARD  
FOR THE TOWN OF BARRACKVILLE

WHEREAS, the Town of Barrackville now contemplates the issuance of its Sewer Revenue Bonds, to finance the acquisition, construction and operation of a sewerage system, and additions, extensions and improvements thereto (the "System"), pursuant to Article 13 of Chapter 16 of the Official West Virginia Code of 1931, as amended (the "Act"); and

WHEREAS, the Act requires that a Sanitary Board be established in connection with the issuance of sewer revenue bonds, as aforesaid, and in connection with the custody, administration, operation and maintenance of such a sewer system by a municipal corporation;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BARRACKVILLE:

Section 1. That the Council of the Town of Barrackville does hereby create and establish a Sanitary Board, with all powers and duties as provided in and pursuant to the Act.

Section 2. Composition; Chairman; Appointment of Members. The Sanitary Board shall be composed of the Mayor of the Town of Barrackville, and two persons appointed by the Council, one of whom, during the construction period, must be a registered professional engineer. The engineer member of the Board need not be a resident of said municipality. After the construction of the System has been completed, the engineer may be succeeded by a person not an engineer. Said appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. No officer or employee of the Town of Barrackville, whether holding a paid or unpaid office, shall be eligible to appointment on said Sanitary Board until at least one year after the expiration of the term of his public office.

Section 3. Organizational Meetings; Vice Chairman, Secretary, Treasurer; Official Bonds. As soon as may be practicable following the appointment of a new member of the Sanitary Board, the Board shall hold an organizational meeting and choose a vice chairman from among its members, and a secretary and treasurer, who may be one person and need not be a Board member, and such officers shall hold office at the will of the Board. No bond shall be required of the Board members as such, but the treasurer, whether a member of the Board or not, shall give bond in the penalty of two thousand dollars for the proper application of all money received by him as treasurer of the Board, and otherwise conditioned according to law.

Section 4. Compensation and Expenses of Board Members.

The members of the Sanitary Board as such shall be paid One Hundred Dollars (\$100.00) per year as compensation. All members of the Board shall be reimbursed from sewage works funds for all necessary expenses incurred in the discharge of their duties, but there shall be no liability upon the town for any salary or expenses so incurred.

Section 5. Powers, Duties and Limitations. A. The

Sanitary Board shall have the supervision and control of the custody, administration, operation and maintenance of any and all works for the collection, treatment and disposal of sewage, which are now owned or may hereafter be acquired by the Town of Barrackville.

B. The Sanitary Board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of the powers granted to such Board by this chapter and under and by virtue of Article 13, of Chapter 16, of the Code of West Virginia, as the same now exists and may hereafter be amended; but the powers of the Sanitary Board shall be subject to all restrictions and limitations contained in said Article 13 as the same now exists or may hereafter be amended.

C. The Sanitary Board may employ engineers, architects, inspectors, superintendents, a manager, collectors, attorneys, and such other personnel as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the Board shall direct. All such compensation and all expenses incurred in carrying out the provisions of said Article 13 shall be paid solely and only from funds provided under the authority or power given it so as to bind the Board or the town beyond the extent to which money shall have been or may be provided under the authority of said Article 13. No contract or agreement with any contractor or contractors for labor or material exceeding in amount the sum of one thousand dollars shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the Board to reject any and all bids.

D. The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board.

E. After the construction, installation and completion of such works the Sanitary Board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the Board may deem expedient if funds therefor be available or made available as provided by law, and shall establish rules and regulations for the use and operation of the works and of other sewers and drains connected therewith so far as they may affect the operation of such works, and to do all things necessary or expedient for the successful operation thereof,

and the Board shall have in addition hereto any and all powers granted to it by said Article 13, or which may be granted to it by amendments to said Article 13, hereafter made, subject to any and all restrictions and limitations therein contained.

Section 6. Duty of Board to Restore Property Damaged by its Activities. All public ways or public works damaged or destroyed by the Sanitary Board in carrying out its authority under this chapter shall be restored or repaired by the Board and placed in their original condition, as nearly as practicable, if requested so to do by the proper authorities, out of the funds provided pursuant to the provisions of Article 13, Chapter 16 of the Code of West Virginia.

Section 7. Publication of Financial Statement. The Sanitary Board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of Article 3, Chapter 59 of the Code of West Virginia, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the Board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such Board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the Board as soon as practicable after the close of the fiscal year. The statement shall be sworn to by the chairman and secretary and treasurer of the Board.

Section 8. Procedure for Disbursement of Funds. All funds under the supervision of the Sanitary Board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be properly signed by the authorized officer or agent of the Board. All such disbursements shall be approved by the Board.

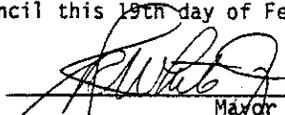
Section 9. Bonding of Employees Who Handle Money. The Sanitary Board may from time to time, in its discretion, require any of its employees to furnish a good and suitable indemnity bond, with a recognized and reputable surety, conditioned upon the faithful discharge of their duties as such, and to deliver up and pay over all money as provided by law. The Board shall require all persons who collect or otherwise handle funds of the Board to furnish a good and proper bond, with a recognized and reputable corporate surety conditioned upon the faithful performance of their duties and for the proper handling and care of said funds in their hands. Such bond shall be in an amount equal to the sum of money which might at any one time be in the hands of such person or persons, as may be determined by the Board.

Section 10. This ordinance shall be effective immediately upon passage.

Passed by the Town Council this 19th day of February, 1985.

ATTEST:

  
Recorder

  
Mayor



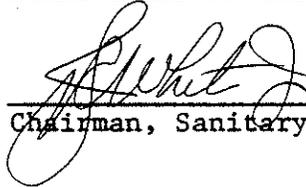
PETITION

The Sanitary Board of the Town of Barrackville, on motion duly passed at its meeting on the 12th day of November, 1985, respectfully petitions the Town Council of the Town of Barrackville to enact an ordinance directing that sewer revenue bonds and grant anticipation notes of the municipality be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code, in amounts not to exceed \$1,050,000 and \$2,500,000, respectively, for the purpose of paying costs of acquisition and construction of public sewerage facilities of the Town, costs of issuance thereof and related costs.

All as required by Chapter 16, Article 13 of the West Virginia Code.

SANITARY BOARD OF THE TOWN OF BARRACKVILLE

By



\_\_\_\_\_  
Chairman, Sanitary Board

12/06/85  
BARR1-A



AN ORDINANCE ESTABLISHING AND FIXING RATES,  
FEES, CHARGES AND DELAYED PAYMENT PENALTY  
CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE  
SYSTEM OF THE TOWN OF BARRACKVILLE

THE TOWN COUNCIL OF THE TOWN OF BARRACKVILLE HEREBY  
ORDAINS: The following schedule of rates, fees, charges and delayed  
payment penalty charges are hereby fixed and determined as the  
rates, fees, charges and delayed payment penalty to be charged to  
customers of the sewerage system of the Town of Barrackville  
throughout the territory served.

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable in entire area served.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATE (Based upon the metered amount of water supplied)

Flat Rate - \$3.78 per 1,000 gallons of water used.

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage  
system shall be \$7.56.

DELAYED PAYMENT PENALTY

A 10% penalty shall be added to all charges not paid  
within 20 days from the date of the billing. This delayed payment  
is not interest and is only to be collected once for each bill where  
it is appropriate.

SECTION 2. EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty  
charges provided herein shall be effective 45 days after the  
enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Times-West Virginian, being the only newspaper published and of general circulation in Marion County, West Virginia, and being of general circulation in the Town of Barrackville, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 17th day of September, 1985, at 7:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

The above Ordinance has been introduced at a meeting of Council held September 3, 1985.

Passed on First Reading:	September 3, 1985
Passed on Second Reading Following Public Hearing:	September 17, 1985
Effective as of	November 1, 1985

s/s H. Lester Merrifield  
Recorder

The foregoing Rate Ordinance has been introduced at a meeting of Council held September 3, 1985. Any person interested may appear before Council on the 17th day of September, 1985, at 7:00 p.m., and present protests. Council will then take such action as it shall deem proper in the premises.

Dated September 4, 1985.

s/s H. Lester Merrifield  
Recorder

12/06/85  
BARR1-E



TOWN OF BARRACKVILLE NOTICE OF PUBLIC HEARING ON SEWER BOND AND NOTES ORDINANCE A public hearing will be held on the following entitled Ordinance of a regular meeting of the Council of the Town of Barrackville to be held on December 5, 1985 at 7:00 p.m. in the Council chambers at the Town Hall and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such action as it may deem proper in the premises upon the Ordinance entitled "AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE SAME BY THE ISSUANCE OF BOND AND NOTES NOT BEING SUBJECT TO THE PROVISIONS OF ARTICLE XXIII OF THE CONSTITUTION OF THE STATE OF WEST VIRGINIA" AND THE PRINCIPAL AMOUNT OF SAID BOND AND NOTES TO BE \$1,000,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF GRANT ANTICIPATION NOT PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVISIONS OF SUCH BONDS AND NOTES AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND AUTHORIZING THE TOWN TO TAKE SUCH OTHER ACTIONS RELATING THERETO. The above entitled Ordinance was adopted by the Council of the Town of Barrackville on November 19, 1985. The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the bond and notes issued contemplated thereby. The bonds and the interest thereon would be payable solely from the revenues and other moneys arising from the ownership and operation of the sewerage system of the Town as provided for in the Ordinance and improvements thereto to be financed with the proceeds of the bond and note issues. The proceeds of the notes will be used to provide temporary financing of a portion of the cost of acquisition and construction of the improvements, additions and extensions to the existing sewer facilities of the Town. The notes are payable primarily from the proceeds of grants from the EPA and other agencies. No taxes may at any time be levied for the payment of the bonds or notes or interest thereon. A certified copy of this Ordinance shall be filed in the office of the Recorder of the Town of Barrackville for the purpose of recording the same. Following the said public hearing the Council shall enact said Ordinance at its final meeting. Dated November 19, 1985. J. Perry G. Boyd, Recorder of the Town of Barrackville.

**AFFIDAVIT OF PUBLICATION**

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

Nº 1050

I, Joyce Ann Police being first duly sworn upon my oath,

do depose and say that I am Legal Clerk of THE TIMES-WEST VIRGINIAN a corporation, publisher of the newspaper entitled THE TIMES-WEST VIRGINIAN an Independent newspaper;

that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily except Saturday and Sunday, for at least fifty weeks during the calendar year, in the Municipality of Fairmont, Marion County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforementioned municipality and Marion County; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements and other notices;

that the annexed notice of Public Hearing was duly published in said newspaper once a week for two successive week (Class II), commencing with the issue of the 22 day of Nov. 19 85, and ending with the issue of the 29 day of Nov. 19 85, and was posted at the front door of the Marion County Court house on the 22 day of Nov. 19 85; that said annexed notice was published on the following dates: Nov. 22, 29, 1985

and the cost of publishing said annexed notice as aforesaid was \$66.73

Joyce Ann Police

Taken, subscribed and sworn to before me in said county this 6 day of Dec.

85

My commission expires Jan. 24, 1990

J. Perry G. Boyd  
Notary Public of Marion County, West Virginia



AFFIDAVIT OF PUBLICATION

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

No 2732

I, Joyce Ann Police being first duly sworn upon my oath,

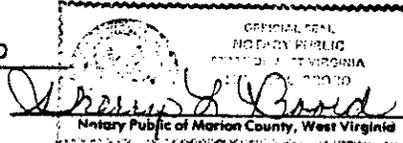
do depose and say that I am Legal Clerk of THE TIMES-WEST VIRGINIAN a corporation, publisher of the newspaper entitled THE TIMES-WEST VIRGINIAN an independent newspaper;

that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily except Saturday and Sunday, for at least fifty weeks during the calendar year, in the Municipality of Fairmont, Marion County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforementioned municipality and Marion County; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements and other notices;

that the annexed notice of Notice was duly published in said newspaper once a week for two successive weeks (Class II), commencing with the issue of the 4 day of Sept. 19 85 and ending with the issue of the 11 day of Sept. 19 85, and was posted at the front door of the Marion County Court House on the 4 day of Sept. 19 85; that said annexed notice was published on the following dates: Sept. 4, 11, 1985

and the cost of publishing said annexed notice as aforesaid was \$93.43  
Joyce Ann Police  
Taken, subscribed and sworn to before me in said county this 11 day of Sept. 19 85

My commission expires Jan. 24, 1990



TOWN OF BARRACKVILLE  
NOTICE OF PUBLIC HEARING ON SEWER RATE ORDINANCE  
PLEASE TAKE NOTICE that on September 17, 1985, at 7:00 p.m., a public hearing will be held at the Town Hall in the Town of Barrackville, at which time and place interested persons may appear and be heard with respect to the proposed adoption of the following ordinance by the Council of the Town of Barrackville:  
AN ORDINANCE ESTABLISHING TAXES, FIXING RATES, AND DELAYING PAYMENT OF PENALTY CHARGES FOR CUSTOMERS OF THE SEWERAGE SYSTEM OF THE TOWN OF BARRACKVILLE. HEREBY SCHEDULED FOR THE following charges and penalties: the minimum monthly charge for use of the sewerage system shall be \$7.00. DELAYED PAYMENT PENALTY: A 10 percent penalty shall be added to charges not paid within 20 days of the date of the billing. This delayed payment is not interest and is only to be collected once for each bill, where it is appropriate.  
SECTION 2 EFFECTIVE DATE: The rates, fees, charges and delayed payment penalty charges provided herein shall be effective 45 days after the enactment hereof.  
SECTION 3 SEPARABILITY: The provisions of this Ordinance are separate, and if any clause, provision, or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders or parts thereof, the same shall remain in full force and effect.  
SECTION 4 STATUTORY NOTICE AND PUBLIC HEARING: Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days with at least 5 full days intervening between each publication in THE TIMES-WEST VIRGINIAN, being the only newspaper published and of general circulation in Marion County, West Virginia, and being of general circulation in the Town of Barrackville, and this Ordinance has been introduced, and that any person interested may appear before Council on the 17th day of September, 1985, at 7:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.  
The above Ordinance has been introduced at a meeting of Council held September 3, 1985, passed on First Reading, 1985.  
Passed on Second Reading, following Public Hearing, 1985.  
Effective as of 1985.  
Recorder: H. N. Lester, Merrifield.  
The foregoing Rate Ordinance has been introduced at a meeting of Council held September 3, 1985. Any person interested may appear before Council on the 17th day of September, 1985, at 7:00 p.m., and present protests. Council will then take such action as it shall deem proper in the premises.  
Dated September 4, 1985.  
H. LESTER  
MERRIFIELD  
Times September 4, 1985.



Council authorized the purchase of a city directory from R. L. Polk and Company, and the listing of the Town Hall, Town Policeman, Mayor and Fire Department, to be made in the Directory. The cost of the directory and listings was \$55.00.

A complaint was made by Bill Garlitz to the Council against the Fire Department filling their fire trucks with water from the fire hydrant near his home every time they have occasion to do so. He recommended that they fill from a stream or use other hydrants part of the time. His complaint was made because every time they fill their trucks, the water in the system becomes muddy and unfit for use in their home for quite some time. Mayor White stated that he would discuss the complaint with the Fire Chief.

A suggestion made by Frank Thomas that a spherical mirror be installed at the bottom of the hill on Second Street to enable motorists to see oncoming traffic on Buffalo Road, was considered as probably impractical in view of the great amount of vandalism going on all around us. However, Council will further consider the question.

A report from the Fire Chief indicated that there is no objection to the removal of selected fire hydrants from the Upper Barrackville area by the residents thereof. As soon as Chief Allgauer furnishes the Council with a list of the hydrants to be removed, Council will take action to have them removed.

Ordinance No. 32, establishing and fixing rates, fees, charges and delayed payment penalty charges for service to customers of the Sanitary Sewerage System for the Town, came on for its first of two readings. Whereupon by motion made, duly seconded, and unanimously passed, the Ordinance was approved and passed on for its second reading and public hearing at the next meeting.

Mayor White read a letter from Mrs. Migialo concerning her personal views and judgment of contributions made by certain townspeople, and religious groups in general. Following the reading of the letter she was given an opportunity to address the Council concerning same.

There being no further business to come before the Council, the meeting was adjourned at 8:00 P.M.

H. Lester Merrifield  
Recorder

TOWN COUNCIL MEETING  
MUNICIPALITY OF BARRACKVILLE

SEPTEMBER 3, 1985

A regular meeting of the Town Council of the Municipality of Barrackville, West Virginia, was held in the Council Chambers thereof on September 3, 1985, at 7:00 P.M.

Present were: Jack R. White, Jr., Mayor; H. Lester Merrifield, Recorder; Councilmen: Paul Faber, James Doyle, Donald Neptune, and Thomas Hall; Attorney J. Scott Tharp and town worker Bill Toothman. Also present were Ellis Collins, Mike Maxwell, Steve Higgins, and Dorthy Migialo.

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The meeting was opened with the pledge of allegiance to the flag, after which the minutes of the previous meeting were read and approved.

Attorney Tharp presented the following persons to the Council: Vince Collins and Walter Williams of Steptoe & Johnson; Gary Cottrill and Stephanie Mathews of C. L. Cottrill & Co., and Sammie Gee of Jackson, Kelly, Holt & O'Farrell. They remained in attendance during the reading and action taken on three town ordinances, and then adjourned for a meeting with Attorney Tharp, Tom Stevick, and Gary Pratt.

In the first matter of business Attorney Tharp brought on Ordinance No. 31, a Bonds and Notes Ordinance, for its third and final reading, and opened the meeting for a public hearing on the ordinance by calling for comments from those in attendance concerning the Ordinance. There being no comments from any present, Mayor White called for passage of the ordinance. Thereupon Councilman Faber made a motion that Ordinance No. 31 be passed. Councilman Hall seconded the motion, which was unanimously passed and enacted into law.

Ordinance No. 32, establishing and fixing rates, fees, charges and delayed payment penalty charges for services to customers of the sewerage system of the Town of Barrackville, was introduced for a public hearing, its second reading, and passage. No comments being presented, Councilman Doyle moved that Ordinance No. 32 be passed, which was duly seconded by Councilman Hall and unanimously passed, and so enacted into law. The Recorder was ordered to enter both ordinances into the Ordinance Book.

Attorney Tharp advised the Council that a revised rate for sewerage charges for the Town of Barrackville had been determined since introduction of Ordinance No. 32, and presented Ordinance No. 33, a corrected version of Ordinance No. 32, for its first reading. By motion made, duly seconded, and unanimously passed, Ordinance No. 33 was accepted and approved by the Council and passed on for its second reading.

Following action on the aforementioned Ordinances, Mayor White called for discussions on unfinished business.

Bill Toothman reported that Sara Kaznoski refused to accept the installation of a asphalt curb in front of her residence, and stopped Ron Brown and him from doing so. She insisted on a concrete curb. The Council, in considering Mrs. Koznoski's action, brought out that at the previous Council meeting Council approved the installation of a asphalt curb, and turned down installation of a concrete curb. It was also mentioned that the road where the problem exists is constructed of asphalt and that it would be more reasonable to construct an asphalt curb. Council recommended that an asphalt curb be installed as was previously approved by the Council. A motion was so made, duly seconded, and unanimously passed. Mr. Toothman was advised that should Mrs. Kaznoski again object to an asphalt curb, to walk away and take no further action.

Mayor White reported that he and Contractor Angelucci will investigate the road problem at the James Chiera location on September 5.

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A list of fire hydrants to be removed from the Upper Barrackville area was received from Fire Chief Allgauer, and Recorder Merrifield was directed to develop the removal of same with Fairmont City Manager Ed Daly.

Question was again considered concerning the deteriorated and unsafe condition of the Harden home on Pike Street. It was reported that access to the home is easily accomplished and that children have been seen going in and out of the house. The possibility of renting the property was brought up but no probable renters were known. A motion was made to have the Town Housing Authority to inspect the premises and make a recommendation to the Council as to an appropriate action to take concerning the house. At this time Mike Maxwell voiced an interest in buying the property, and Council considered his offer for further investigation.

The storm water problem that washes gravel off Mohawk Avenue onto Ice Street, leaving heaps of gravel and large puddles of water on that street, was again brought up for consideration. It was pointed out that the existing drain in that area, aside from being inadequate, becomes clogged with gravel. In trying to determine a solution to the problem, aside from paving Mohawk Avenue, Councilman Hall reported on Contractor Angelucci's proposal: which was, to apply sufficient gravel (limestone chips) to Mohawk Avenue to slope it slightly toward the Larney Lane side. Then dig a ditch from Rice Street to Ice Street and line the ditch with large size gravel that will not wash away. Then, from the present drain at the corner of Ice Street and Mohawk Avenue, lay a new and larger size storm water line to the storm drain at Mrs. Brookover's. Council questioned the cost of a project as outlined, and delayed any action on same, pending an estimate from Contractor Angelucci.

Fire Chief Allgauer reported to Mayor White that when filling fire trucks with water, he will alternately use different hydrants.

Mayor White reported a copy of the Contract Document, which includes all facts pertinent to the construction of the town's Sewerage Project, in on file in the Secretary's room, and available for inspection by interested parties.

By motion made, duly seconded, and unanimously passed, Council approved a recommendation that Mike Angelucci be authorized to secure and provide the town with an adequate supply of small limestone chips for application to town streets during the coming winter months.

Council also approved by motion made, duly seconded, and unanimously passed, the purchase of sufficient gravel from Mike Angelucci to fill the potholes in the playground parking lot.

It was reported that the support posts for the Town's playground tennis court should be replaced. The report indicated that Joe Naternicola has offered to do the job for \$200.00. It was pointed out that the posts must be so installed that water cannot enter inside or around the posts. A motion was so made, duly seconded, and unanimously passed to award the job to Joe Naternicola.

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Bill Toothman was directed by Council to repair or so fix a protruding water pipe from the building on Buffalo Road where school children await the school bus, so that the water leak is stopped.

It was reported that a leak from the Fairmont City water lines still exists on Franklin Street.

Councilman Doyle stated that he will continue efforts to have Calvin Conaway apply paving material between the sidewalk and his property on Pike Street.

A complaint by Ellis Collins that a storm water drainage line from Manley Street which dumps storm water onto property which he just recently acquired, is creating a considerable wet problem to his property for which he is asking relief. In considering Mr. Collins complaint, Council concluded that the members thereof should investigate the scene of the complaint.

Mr. Maxwell came before Council complaining that an occupant at the Maxwell Trailer Court has a dog and that dogs are not permitted in the Trailer Court. He asked for advice on how to handle this problem. Arrangements were made with the Town Policeman to deal with the problem through the Marion County Dog Warden.

There being no further business to come before the Council, the meeting was adjourned at 8:10 P.M.

H. Lester Merrifield  
Recorder

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TOWN COUNCIL MEETING  
MUNICIPALITY OF BARRACKVILLE  
SEPTEMBER 17, 1985

A regular meeting of the Town Council of the Municipality of Barrackville, West Virginia, was held in the Council Chambers thereof on September 17, 1985, at 7:00 P.M.

Present were: Jack R. White, Jr., Mayor; H. Lester Merrifield, Recorder; Councilmen: James Doyle, Donald Neptune and Thomas Hall; Attorney J. Scott Tharp, and Bill Toothman, Ron Brown, Dorothy Migaiolo, and Jess Vanet.

The meeting was opened with the pledge of allegiance to the flag, after which the minutes of the previous meeting were read and approved.

In the first matter of business Mayor White reported that a Morgantown firm will be in the Barrackville area within two weeks taking pictures of the land area wherein the Barrackville Sanitary Sewage lines will be located. He said the pictures will provide a record of the lay of the land so that restoration of landowner's property can and will be replaced as it was prior to excavation to accomodate the sewer lines.

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In reports on old business Mayor White stated that:

- Twenty tons of gravel was used to fill the potholes in the playground parking lot.
- The tennis court support posts for the net have been installed.
- The leaking water pipe at the building on Buffalo Road where school children wait for their school bus, has been corrected. Bill Toothman said the City of Fairmont removed the water line.

In reports concerning the deteriorated condition of the Harden house on Pike Street, Attorney Tharp reported that the owner of the house has plans to probably restore the house or sell it. No further action was taken by Council on the question.

Mayor White reported on the results of an investigation by Contractor Angelucci, Steve Higgins, and himself concerning the storm water problem on Mohawk Avenue and Ice Street. He said it was proposed that in order to control much of the storm water run off from Rice Street, that flows down Mohawk Avenue, that about 12 feet of Mohawk Avenue adjacent to Rice Street be paved with concrete and a storm water drain pipe be connected from the left side catch basin at that location, across to a catch basin on the right side, and a storm drain be installed across the newly laid concrete to the catch basin on the right side. The project as proposed would include a 2 foot deep ditch on the Larney Lane side of Mohawk Avenue down to Ice Street, and the ditch lined with large size gravel. Also, build up Mohawk Avenue with gravel so as to slope the road toward the ditch, and then install a drain across Mohawk Avenue to carry any storm water from the road to a catch basin at the corner of Ice Street and Mohawk Avenue. Mayor White said he estimated the job to cost between \$4500.00 and \$5500.00. However, Contractor Angelucci has yet to submit a bid, he said. He also noted that Contractor Angelucci will submit an estimate of the cost of paving Mohawk Avenue with black top, as opposed to the project just mentioned.

Attorney Tharp brought up the possibility of the landowners on Mohawk Avenue helping to pay for black topping the street. The Mohawk Avenue project will be considered and discussed again at the next meeting.

Jess Vanet reported a hole alongside Mohawk Avenue just above Rice Street needs to be filled. A motion was made, duly seconded and passed, to have Bill Toothman and Ron Brown fill the hole.

Mayor White reported that he and Contractor Angelucci investigated the condition of Ice Street at the Jim Chiera location, and that in order to repair the road, the road should be graded, large gravel applied with a small gravel application overtop, and a ditch at the top of the hill cleaned and graveled. He estimated the cost of the project to be \$2,000.00. However, he said a cheaper job of just grading the road and "let it go," could be done for around \$600.00.

The road project at the Jim Chiera home will be discussed again at the next meeting, and Mayor White stressed the importance of the Council members investigating the present condition of the road before the next meeting. Treasurer Doyle, in consideration of the cost of the road jobs under discussion, pointed out that at present there is but a \$500.00 balance in the General Fund, and that the other Town accounts have less than \$200.00 in each.

241  
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There being further business to come before the Court the meeting was adjourned at 8:52 P.M.

*H. Lester Merrifield*  
Recorder

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SPECIAL TOWN COUNCIL MEETING  
MUNICIPALITY OF BARRACKVILLE  
NOVEMBER 12, 1985

A special meeting of the Town Council of the Municipality of Barrackville, West Virginia, was held in the Council Chambers thereof on November 12, 1985, at 7:00 P.M.

Present were: Jack R. White, Jr., Mayor; H. Lester Merrifield, Recorder, and Councilmen: Donald Neptune, Thomas Hall, Allen Alberti, Paul Faber, and James Doyle.

It was explained that this special meeting was called to introduce a revised ordinance, being Ordinance No. 35, to authorize and provide for the issuance of notes and bonds to finance the Town's sanitary sewage system project. Whereupon, the Recorder read for the first time the proposed Ordinance No. 35 as amended, and following the reading the Mayor called for a motion of passage, and Councilman Hall moved that Ordinance No. 35 be so passed at its first reading. Councilman Doyle seconded the motion, which was passed by a unanimous vote. Mayor White ordered that the ordinance be passed on for its second reading at the next regular meeting.

Recorder Merrifield explained by diagram a proposed lighting plan for the darkened area on the school property in the vicinity of the playground equipment. He said the estimated cost as proposed by Ed Michael of the Monongahela Power Co., would run \$400.00 for the installation of a pole and line from Ice Street to the school property, and that a double bank of lights, which he recommended, would cost \$50.00 per month. He noted also that a right of way agreement to install the pole on school property would be necessary from the Board of Education.

There was considerable speculation by the Council members concerning the seemingly high cost for the light. The Council also questioned whether the problem of young people rowdying in the concerned area justified the cost of the installation and monthly charge of a light as noted. Question also arose as to whether the Board of Education would be willing to assume the monthly cost of the light, and part if any, of the cost of installation, providing the Town would pay in part or all of the cost of installation. Council appointed Councilman Hall to investigate the question with the Principal of the school.

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There being no further business to come before the Council, the meeting was adjourned at 6:15 P.M.

*H. Lester Merrifield*  
Recorder

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TOWN COUNCIL MEETING  
MUNICIPALITY OF BARRACKVILLE  
NOVEMBER 19, 1985

A regular meeting of the Town Council of the Municipality of Barrackville, West Virginia, was held in the Council Chambers thereof on November 19, 1985, at 7:00 P.M.

Present were: Jack R. White, Jr., Mayor; H. Lester Merrifield, Recorder; Councilmen: Donald Neptune, Thomas Hall, James Doyle and Paul Faber; and Attorney J. Scott Tharp. Also present were: Bill Toothman, J. B. Standifer and Dorothy Migaiolo.

The meeting was opened with the pledge of allegiance after which the minutes of the November 5 and special meeting of November 12, 1985 meeting were read and approved.

In the first item of business, Councilman Hall reported that he had discussed with the principal of Barrackville School, the proposal to install a light on the school property, and that the principal indicated that he thought the Board of Education might consent to pay for the monthly bill of operating the light. Councilman Hall also stated that the principal suggested the possibility of installing another light on the rear of the schoolhouse building, at which time Mr. Hall pointed out that a Randy McNeely had offered to furnish a light should the Board of Education want to install it on the school building. It was also brought out that perhaps nearby residences that would benefit from a street light type of light installed on the school property, might contribute to the installation of same. Council deferred making a decision on the proposals pending further word from the Board of Education concerning approval of the lights as already discussed.

Mayor White reported that repairs to Ice Street in the vicinity of the James Chiera residence, have been completed as approved by the Council. However, a work deal to be negotiated with Contractor Angelucci concerning a snowplow owned by the Town, has yet to be negotiated.

Council approved a recommendation that Bill Toothman apply an application of heavy gravel in the ditch at the "top of the hill" on Ice Street.

Mayor White introduced for discussion a controversy concerning the choosing of persons who shall work for the town and with Bill Toothman on Town related repair jobs. In the discussion, Mr. Toothman expressed a desire to pick workers who are willing to work

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and that he can work w. Council concurred that anyone so chosen should meet the qualifications as noted, but also insisted that the Council should be first advised of anyone he so recommends, and the Council shall reserve the right to make final approval. Mayor White stressed that he and the Council should be aware at all times of who is working, and that if any problems arise with the workers to discuss the problems with the Mayor and Council. Attorney Tharp noted that the law requires that the Town be responsible to select its workmen. Having so ruled, the Council by motion made, duly seconded and unanimously passed, approved Patricia Caffee to work on Town jobs with Bill Toothman.

Mayor White called for the Council members to submit a list of persons who might be willing to work for the Town, to be reserved for future replacements.

The newly revised notes and bonds ordinance came on for its second reading and by motion made, duly seconded, and unanimously passed, was ordered to be passed on for its third reading and passage at the next Council meeting.

Questions relative to the planned proposal by the Marion County Fire Board to finance volunteer fire departments by an assessment fee on all Marion County households, as outlined at the previous Council meeting, were brought up for discussion. Questions discussed concerned what fire department will service areas outlying Barrackville that are now being serviced by the Barrackville Fire Department, should the Barrackville Town Council not approve the proposal. It was also questioned whether the accrual plan to finance the purchase of new fire trucks will be adequate to meet the needs of the several fire departments in the County, should unforeseen emergencies arise to require equipment replacements not listed in the proposed schedules.

Inasmuch as these questions asked were unanswerable by those in attendance, it was brought out that the program as suggested by the Fire Board would be better explained by Fire Board members.

Councilman Faber stated that he had been advised by Fire Board member John Victor that the details of the program will be publicized in the local paper soon.

The probability of a referendum to let the people decide whether they are in favor of the program, was advanced.

The utmost concern to the Council was expressed in a statement to the effect that Barrackville must maintain a first rate fire department.

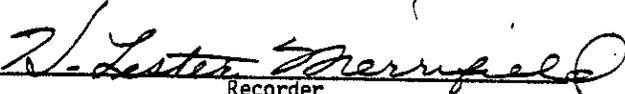
The Council proposed no further action on the program as proposed, and tabled the question awaiting developments from the Fire Board.

Mayor White reported that fire hydrants selected for removal, have been removed.

Councilman Faber questioned why the current water bill for the Town's park-playground was so uncommonly high. No logical explanation was known for the high amount of water billed for. However, it was noted that the water to the playground has been turned off for the winter.

It was reported that water facilities at the playground have been winterized, and will be checked again.

There being no further business to come before the Council, the meeting was adjourned at 8:17 P.M.

  
Recorder

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The meeting was opened with the pledge of allegiance after which the minutes of the November 5 and special meeting of November 12, 1985 meeting were read and approved.

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The Council proposed no further action on the program as proposed, and tabled the question awaiting developments from the Fire Board.

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Councilman Faber questioned why the current water bill for the Town's park-playground was so uncommonly high. No logical explanation was known for the high amount of water billed for. However, it was noted that the water to the playground has been turned off for the winter.

It was reported that water facilities at the playground have been winterized, and will be checked again.

There being no further business to come before the Council, the meeting was adjourned at 8:17 P.M.

  
Recorder

December 3, 1985

Minutes

to

Follow

December 3, 1985

Minutes

to

Follow

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There being no further business to come before the Council, the meeting was adjourned at 8:17 P.M.

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Recorder

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TOWN COUNCIL MEETING  
MUNICIPALITY OF BARRACKVILLE  
DECEMBER 3, 1985

A regular meeting of the Town Council of the Municipality of Barrackville, West Virginia, was held in the Council Chambers thereof on December 3, 1985, at 7:00 P.M.

Present were: Jack R. White, Jr., Mayor; H. Lester Merrifield, Recorder; Councilmen: James Doyle, Donald Neptune, Thomas Hall, and Paul Faber; Attorney J. Scott Tharp, and citizens Bill Toothman, Bill Wise, Paul Hall, June Floyd, and Dorothy Migaiolo.

The meeting was opened with the pledge of allegiance to the flag, after which the minutes of the previous meeting was read and approved.

In the first matter of business Attorney Tharp announced that this meeting constituted a public hearing on the adoption and passage of Ordinance No. 35, an ordinance providing for the acquisition and construction of public sewerage facilities for the Town of Barrackville and financing of same, through the issuance of notes and bonds. Whereupon, Mayor White called for comments concerning the ordinance, and there being none, the ordinance was read for its third and final reading, following which, a motion was made by Councilman Doyle that the ordinance be passed. Councilman Hall seconded the motion, which was passed by a unanimous vote of the council members and enacted into law. The Recorder was directed to enter same into the record book.

The Council by motion made, duly seconded and unanimously passed, adopted the following Supplemental Bond Resolution:

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TOWN OF BARRACKVILLE

Sewer Revenue Bonds  
Series 1985 A and Series 1985 B

SUPPLEMENTAL BOND RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1985 A AND SERIES 1985 B, OF THE TOWN OF BARRACKVILLE; AUTHORIZING AND APPROVING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

WHEREAS, the common council (the "Governing Body") of the TOWN OF BARRACKVILLE (the "Issuer"), upon petition of the Sanitary Board of the Issuer, has duly and officially enacted an ordinance, effective December 3, 1985 (the "Bond and Notes Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 A, NOT MORE THAN \$350,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 B, AND NOT MORE THAN \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF GRANT ANTICIPATION NOTES, SERIES 1985; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond and Notes Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount of not to exceed \$1,050,000, to be issued in two series, the Series 1985 A Bonds to be in an aggregate principal amount of not more than \$700,000 (the "Series 1985 A Bonds") and the Series 1985 B Bonds to be in an aggregate principal amount of not more than \$350,000 (the "Series 1985 B Bonds"), and has authorized the execution and delivery of a Loan Agreement relating to the Series A Bonds and a Supplemental Loan Agreement relating to the Series B Bonds (collectively, the "Loan Agreement"), both dated as of the date of delivery of the Bonds, by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with West Virginia Code, Chapter 16, Article 13 (the "Act"); and in the Bond and Notes Ordinance, it is provided that the maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the 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 bond resolution (the "Supplemental Bond Resolution") be adopted and that the Loan Agreement be entered into by the Issuer, that the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF BARRACKVILLE:

Section 1. Pursuant to the Bond and Notes Ordinance and the Act, this Supplemental Bond Resolution is adopted and there are hereby authorized and ordered to be issued:

(A) The Sewer Revenue Bonds, Series 1985 A, of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of \$618,894. The Series 1985 A Bonds shall be dated the date of delivery thereof, shall mature October 1, 2025, shall bear interest at the rate of 9.75% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable April 1, 1986, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1985 B, of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of \$308,106. The Series 1985 B Bonds shall be dated the date of delivery thereof, shall mature October 1, 2025, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and upon payment of the redemption premium provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and incorporated therein by reference.

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

Section 3. The Issuer does hereby approve and accept the Loan Agreement and the Supplemental Loan Agreement, both dated the date of delivery of the Bonds, between the Authority and the Issuer, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement and the Supplemental Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed. The price of the Bonds shall be 100% of par value, plus interest accrued from the date of the Bonds to the date of delivery thereof.

Section 4. The Issuer does hereby appoint and designate Kanawha Valley Bank, N.A., Charleston, West Virginia, as Registrar and Paying Agent for the Bonds and does approve and accept the Registrar's Agreement dated as of December 1, 1985, by and between the Issuer and Kanawha Valley Bank, N.A., in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint City National Bank of Fairmont, Fairmont, West Virginia, as Depository Bank under the Bond and Notes Ordinance.

Section 6. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond and Notes Ordinance approved and provided for, to the end that the Bonds may be delivered on or about December 9, 1985, to the Authority pursuant to the Loan Agreement.

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Section 7. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 8. This Supplemental Bond Resolution shall be effective immediately following adoption hereof.

Mayor White announced that a grant of money as provided for in Ordinance No. 35, will be received by the Town on Monday, December 9, 1985, for sewerage purposes, and that the Barrackville Sewer Board recommended that the majority of the grant be invested with the West Virginia Consolidated Investment Fund until such time as it is needed, and that a small proportionate amount be deposited into the sewer account to be used for expenses already incurred.

A motion was made that the grant money as noted be invested as proposed. The motion was duly seconded and unanimously passed.

Mayor White stated that it will be necessary for him to miss a day's work to journey to Charleston to assist with the obtainment of the grant money, and requested reimbursement for lost wages for that day. Council by motion made, duly seconded and passed, approved payment to Mayor White for the day's wages as requested.

Mayor White informed the Council that construction plans for the Town's Sewage System are progressing favorably and that construction will start soon.

Councilman Hall reported that word from the principal of Barrackville School indicated that the Marion County Board of Education is willing to pay the monthly charge for a street light on school property, as proposed at the previous Council meeting, providing the Town has the light installed. In further consideration of the installation of the light, the majority of the Council members favored having the light installed, and a motion to that effect was made by Councilman Hall and seconded by Councilman Neptune. The motion carried by a vote of 3 to 1, with one member abstaining. However, Council advised that no action be taken to have the installation made, pending a contract agreement from the Board of Education concerning the monthly operating charge for the light.

The following persons were selected to be contacted by Council personnel to perform Town repair jobs: James Fenton and Charles Wolfe.

It was reported that the Town's snow plow equipment has been conditioned and ready for use, and that arrangements have been made for personnel to operate the plow.

Councilman Faber recommended that persons operating the snow plow be paid a rate of \$4.00 per hour. Whereupon, a motion was made to that effect, duly seconded, and unanimously passed.

Bill Toothman reported that large gravel has not yet been applied to the ditch at the top of the hill on Ice Street, as previously approved, due to inclement weather.

Upon recommendation by Councilman Doyle that bonding coverage for the town policeman be placed with Pyles Insurance Agency, the Council so approved the recommendation, and further approved that as bond coverage falls due for different Council members, they also be covered by Pyles Insurance Agency.

Councilman Faber suggested that a historical picture collection of all former and present mayors of the town be started. His suggestion was favorably accepted and postponed for later consideration.

Paul Hall, a resident on the Monumental Road, within the town limits, made protest to the Council that water leaks from the Fairmont City waterline of long standing, are causing a hazardous condition on the highway now that freezing weather conditions exist. He said not only is there a danger to cars traveling the highway, but that low water pressures caused inconveniences in the various homes in that area.

In a discussion on Mr. Hall's complaint, it was brought out that the Fairmont City Water Department has been contacted many times relative to the water leaks as noted, but that satisfactory repairs have not been made. Mr. Hall was advised by Council that the town has no responsibility or jurisdiction over the water line, but on Mr. Hall's insistence that the town can intercede for those residences in that area, agreed to have the Recorder contact appropriate authorities relative to the problem.

Bill Wise questioned the Council as to why the proposed sewage rate, as he said, is out of reason as compared to another city he had reference to. It was explained by Mayor White that the city he referred to constructed their lines many years ago when labor and materials were much cheaper, and that heavy populated towns have more people to share the cost. It was noted that the EPA will monitor the rate schedule which should run about equal to one's present water bill.

Upon motion made, duly seconded, and unanimously passed, Council cancelled the regular second meeting for December.

There being no further business to come before the Council, the meeting was adjourned at 7:59 P.M.

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Recorder



CONTRACT  
FOR TREATMENT BY THE CITY OF FAIRMONT  
OF SEWAGE FROM  
THE TOWN OF BARRACKVILLE AND ITS SERVICE AREA

THIS CONTRACT made as of the 22nd day of May, 1978, by and between the CITY OF FAIRMONT, a municipal corporation, hereinafter designated as CITY, the SANITARY SEWER BOARD OF THE CITY OF FAIRMONT, hereinafter designated as BOARD, and the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia, hereinafter designated as TOWN,

WITNESSETH THAT:

WHEREAS, the State of West Virginia has ordered and directed the CITY to upgrade its sanitary sewers and to install secondary treatment facilities; and

WHEREAS, the CITY, acting through the BOARD, is in the process of upgrading its facilities so as to provide secondary treatment to meet State and Federal requirements of eligibility for construction grant aid as set forth in PL 92-500, Title 40, Chapter 1, Subchapter B, Part 35, State and Local Assistance, and amendments thereto; and

WHEREAS, the TOWN has also been ordered and directed to cease the discharge of sewage into streams in the TOWN and its area of service, and

WHEREAS, the TOWN, in compliance with such orders, desires to connect to the sewer system of the CITY at a location to be designated by the BOARD at the western terminus of the CITY's newly constructed intercepting sewer along Buffalo Creek, and to have its sewage treated by the CITY in accordance with applicable water quality standards; and

WHEREAS, the CITY, acting through the BOARD, intends to construct new secondary sewage treatment facilities with a capacity reserved for treatment of the TOWN's sewage, and

WHEREAS, it is the intent of the parties hereto, that the City shall accept sewerage from the TOWN and transport it to the CITY's treatment plant for treatment in accordance with the standards established in the CITY's NPDES permit and in such a manner that the TOWN will be held harmless in any second party action relating to effluent quality, and

WHEREAS, it is the intent and purpose of the parties hereto to comply with all such orders to abate pollution in their respective areas and to cooperate with each other, and with the State and Federal Authorities to reduce and prevent pollution of the streams and waterways, thereby protecting the health of the inhabitants and serving the public health and welfare of all;

NOW THEREFORE, in consideration of these recitals, the parties hereto agree to proceed in cooperation with each other, and to use their best efforts to plan, finance, construct and operate sewage facilities which will accomplish the aforesaid objectives according to the following terms, conditions, and considerations:

1. All acts required of the CITY by reason of this CONTRACT shall be performed for and on behalf of the CITY by the BOARD which shall have sole authority over the construction and operation of the CITY's sewage facilities. The BOARD shall perform all acts and make all such rules and regulations as may be necessary from time to time for the proper and efficient operation of the sewage facilities for the benefit of the CITY, the TOWN, and other users.

2. The Town intends to plan and cause to be constructed at its sole cost, an interceptor and collector sewer system meeting generally accepted sanitary engineering standards, which will collect from its area and transmit sanitary sewage (without excessive infiltration and inflow of surface drainage) to the City's sanitary sewer system, all in accordance with current and future guidelines as promulgated by Federal and State Authorities. It is the present intention of the parties that the Town will be responsible for the maintenance and operation of its sewer system and that the Town will establish user charges sufficient at all times to pay, when due, proper charges for services rendered by the City to the Town. The City agrees, that at the Town's request, it will attend to the operation, maintenance, meter readings, billings, and collections for the Town, under a management contract, lease, or other arrangement, with the cost of said services to be paid by the Town to the City, any such management contract, lease, or other arrangements being deemed an amendment hereto.

3. The Board intends to cause its secondary treatment facility to be designed with additional capacity of not less than two hundred forty thousand gallons daily (0.24 MGD) reserved for treatment of the TOWN's sewage, and to receive, treat and dispose of the sanitary sewage delivered to it by the TOWN at a point to be mutually agreed upon, which sewage is to be metered at the sole cost of the TOWN in a manner and with equipment satisfactory to the BOARD.

4. The charges made to the TOWN by the BOARD for providing the services contemplated hereunder shall be, in the first instance, established by the BOARD in accordance with fair cost accounting and allocation principles, with the objective that the BOARD will recover from the TOWN its costs, both capital (including required bond service coverages) and operating, incurred in making service available and providing service to the TOWN, without requiring other users of the CITY sewer system to subsidize capital or operating costs incurred by the BOARD for the purpose of serving the TOWN. Initially, rates charged by the BOARD to the TOWN will be established and subsequently amended from time to time as necessary pursuant to the provisions of Chapter 16, Article 13 and Chapter 24, Article 2 of the West Virginia Code, as amended. All such rates, when established in accordance with procedures promulgated by the Legislature of the State of West Virginia, and of any regulatory or other agency or authority having jurisdiction in such matters, shall automatically, upon proper adoption and notice to the TOWN, become an amendment to this CONTRACT without further action by the parties hereto.

The CITY and the BOARD will, after service to the TOWN is in effect, provide the TOWN, at least annually, with:

(i) A copy of the BOARD's annual report filed with the Public Service Commission of West Virginia.

(ii) A copy of such audited financial statements as the CITY provides for holders of revenue bonds issued by the CITY, payable from revenues of its sewer system.

(iii) A copy of all reports of audit of the BOARD's records prepared by the BOARD's auditors or by State or Federal auditors.

The cost of preparing these documents will be allocated to the TOWN and to other users of the CITY's sewer system in accordance with sound public utility accounting principles. Upon the request of the TOWN, the BOARD will cause to be made such other and additional financial information as the TOWN may reasonably request, but at the sole cost of the TOWN.

5. Each of the parties intend to proceed to cause plans and specifications to be developed for its respective facilities, in cooperation with each other; to seek appropriate regulatory approvals; to seek such federal or other grants and aid as may be available; to plan for the financing of capita' costs which are not met by grants in aid; and, at the appropriate time, to seek a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia and approval of rates as are necessary to finance these projects and to provide the operating and maintenance costs which will be associated therewith as follows:

(i) By the TOWN to its customers,

(ii) By the BOARD to its customers, including the TOWN.

6. It is recognized by the parties hereto that the BOARD will be operating major pumping and treatment facilities for its own benefit and for the benefit of the TOWN and other users of the BOARD's facilities, and, therefore, the parties hereto further agree that the following rights and duties shall be imposed upon the BOARD and the TOWN to insure the harmonious coordination of the two projects and to provide the BOARD with the necessary means by which it can verify the proper construction of all facilities contributing sewerage to its treatment plant, regulate the quality of sewage being delivered to the BOARD for treatment, prohibit the introduction of unacceptable wastes into its system, and to require the TOWN to immediately take such corrective action as may be necessary to bring it to compliance with the BOARD's rules, regulations and quality standards:

(i) Rules - the BOARD shall from time to time promulgate rules and regulations regarding the quality of sewage it will treat and the TOWN shall at all times comply with these regulations.

(ii) Inflow and infiltration - the TOWN shall conduct a Sewer System Evaluation Survey (SSES) of its existing sewers, and, to the extent that such survey shows it to be cost effective to do so, all inflow from roof drains, surface drains, storm sewers, catch basins and other structures which may be a source of inflow into the TOWN's system shall be excluded therefrom. Infiltration into the TOWN's system shall not exceed the maximum allowable for the CITY's existing system as determined by the BOARD's engineer. The TOWN shall maintain its system so that infiltration during operation does not exceed fifteen (15) gallons per capita per day or the initial amount of infiltration allowable at the time the TOWN's system is completed, whichever is greater. Inflow and infiltration into new facilities constructed by the TOWN shall conform to levels for such flows established by the BOARD for its facilities.

(iii) Revision of plans and specifications - The TOWN shall coordinate its design with the BOARD's engineer. At the time it submits its plans to the Department of Health for review, the TOWN shall provide the BOARD with one set of its plans and specifications for review and comment, and shall conform to the BOARD's design requirements pertaining to the construction and operation of a watertight system.

(iv) Connection to the BOARD's sewer system - The BOARD shall provide the TOWN with the design and specifications for connecting the TOWN's system to the CITY's system and for metering the flow of sewage into the CITY's system. The TOWN shall include the construction of such facilities in its project at the TOWN's expense, and upon completion thereof shall turn the completed metering facilities over to the BOARD for operation. All of the costs of operating, maintaining, testing, repairing, replacing, and any other costs incidental thereto shall be billed to the TOWN by the BOARD as such costs are incurred.

(v) Inspection - The BOARD shall, from time to time as it deems necessary, and at the BOARD's own proper expense, have the right to inspect the TOWN's facilities during construction and as often thereafter as the BOARD may deem necessary for the purpose of determining that the TOWN's facilities are being constructed and operated in such a way as to minimize infiltration, to eliminate illegal sources of inflow into the system, to insure that excessive infiltration does not become a future problem and that sources of inflow are not illegally connected at some future time, and to determine to the BOARD's satisfaction that discharges from the TOWN do not contain industrial or other wastes which will detrimentally affect the CITY's treatment process and facilities. Upon being advised by the BOARD of the presence of excessive inflow or infiltration originating in the TOWN's system, or of the presence of sewage in the TOWN's system which is detrimental to the operation of the BOARD's facilities, the TOWN shall immediately proceed to correct such deficiencies in the most expeditious manner available.

(vi) Review of operating rules and regulations - The TOWN shall submit to the BOARD for review, its rules and regulations and operating procedures and shall adopt no such rule, regulation or operating procedure which is contrary to the rules, regulations and operating procedures of the BOARD, and which, in the BOARD's opinion, would affect the operation of the BOARD's facilities to the detriment of the CITY, the TOWN, and the other users of the CITY's facilities. The TOWN upon being advised by the BOARD of a conflict will promptly revise its rules, regulations and operating procedures to conform to the BOARD's standards. The TOWN shall provide the BOARD with advance copies of any proposed change in its rules and regulations, and the BOARD shall provide the TOWN with copies of its rules, regulations and operating procedures for the TOWN's guidance.

7. The parties hereto agree that at the appropriate time each will file and seek Public Service Commission approval of this CONTRACT and of appropriate tariff provisions establishing reasonable rules and regulations for the rendering of the services herein contemplated by the BOARD to the TOWN, and of rates and fees to be charged by the BOARD for such services and to be charged by the TOWN to provide monies to pay for such services, it being agreed between the parties hereto that each shall take all necessary legislative and administrative action necessary to comply with the Commission's orders relating thereto, and that all such action (including future rate orders) shall be deemed an amendment to this CONTRACT without further action by the parties hereto.

8. The CITY, TOWN and the BOARD agree that the BOARD is empowered to act for and on behalf of the CITY in all matters relating to this CONTRACT. It is further agreed by all parties hereto that necessary amendments hereto will be promptly made at the appropriate times when Federal and State regulations make such amendments necessary or when they are required to permit the BOARD to operate its system as was intended by its design, and to discharge its obligations hereunder.

9. The BOARD, as part of its construction contract shall construct the necessary gravity sewers, pump stations and force mains, to extend its Buffalo Creek interceptor in a westerly direction to the point at which the TOWN is to connect to the CITY's system. The TOWN's sewer shall be connected to the CITY's sewer at the mutually agreed to point along Buffalo Creek, all at the TOWN's expense and in accordance with the plans and specifications to be prepared by the BOARD's engineer for the connection.

It is understood by the parties hereto that the BOARD will not accept sewage from the TOWN, and the TOWN understands and agrees that it will not be entitled to service from the BOARD, until the BOARD's secondary sewage treatment plant, which is to be constructed at the confluence of the Monongahela River and Buffalo Creek, under the BOARD's Contract 'D', has been constructed and placed in service. The estimated time of completion of the Fairmont Secondary Sewage Treatment Plant is June 30, 1981, and the TOWN agrees, to the extent possible given the need for agency approval and for State and Federal financial aid, to coordinate the construction schedule for its facilities so that they will come on the line at that time or as soon thereafter as is practical. The BOARD will, from time to time, provide the TOWN with updates of the schedule for placing its sewage treatment plant in service and it will be the responsibility of the TOWN to modify its construction schedule to conform to any earlier or later completion dates should it become necessary, for any reason, for the BOARD to revise its plans for the date it will be placing its sewage treatment plant in service.

10. Each party will proceed diligently with its respective planning, financing and construction with the objective that both projects, to the extent that it is possible to do so, will be completed according to the schedule outlined in nine (9) above, and each shall keep the other fully informed.

11. The TOWN's service area is shown on the map attached hereto, which map is made a part of this CONTRACT, and it is agreed that the TOWN may extend its facilities within its area of service as the need arises without further consultation with, or consent from the BOARD, provided however, that in the event flows from the TOWN exceed those allocated by this CONTRACT by more than ten percent (10%) for a period of one (1) year, the TOWN shall, if the BOARD deems it necessary to do so, then negotiate with the BOARD for additional treatment quotas and costs if the TOWN is unable to reduce its flow to within the allowed excess.

12. The TOWN shall not accept sewage from, nor shall it extend or allow its facilities to be extended to, any area outside of its service area unless it first obtains the BOARD's written authorization to do so, which authorization will be forthcoming only after the TOWN has first provided the BOARD with full written disclosure of the extent of all such extension of service and the maximum flow which will be generated thereby. Conversely, the BOARD and the CITY agree not to accept sewage from areas outside the area of study for the CITY's facility, which area is shown on a map attached hereto and made a part hereof, without the mutual consent of the parties hereto; provided however, that if the TOWN has not connected to the CITY's system within five (5) years

from the date hereof and at that time has no active plan for doing so, the BOARD may, if it so desires, then, or at any time hereafter, use the excess capacity reserved to the TOWN for providing service to other areas and this CONTRACT shall at that time become null and void and the TOWN shall have no further rights thereunder, provided however, that the capacity for treatment reserved for the TOWN shall be reserved to the TOWN's sole use so long as the TOWN has a grant pending from or an active project with the U.S. Environmental Protection Agency.

13. The TOWN agrees to compensate the CITY for the TOWN's prorata share of the CITY's local share of the cost of all betterments in the CITY's system required to permit the CITY to accept and treat the TOWN's sewage.

Such reimbursement may be in lump sum by the TOWN at the time it constructs its facility or, in the alternate, through a monthly payment with interest at the rate or rates incurred by the CITY to obtain funds for its local share of the construction.

The TOWN, upon one (1) years advance written notice to the BOARD, may, if it deems it to be to the TOWN's benefit to do so, terminate and withdraw from this CONTRACT after it has fully compensated the CITY for the cost of all betterments constructed by the CITY for the TOWN's benefit, but the TOWN shall not be entitled to recover any property or to receive any credit for unused facilities by reason of such action by the TOWN, nor shall it retain any rights to such betterments nor to a renewal of this CONTRACT.

14. Unless terminated as hereinbefore provided, this CONTRACT shall run for twenty (20) years and may be renewed thereafter in ten (10) year increments for an additional twenty (20) years at the TOWN's option, which renewals shall be deemed automatic unless the TOWN notifies the BOARD of its desire not to renew, such notice to be given in writing at a regular meeting of the BOARD during the six (6) months preceeding the effective date of each ten (10) year renewal.

Thereafter, the CONTRACT may be extended by mutual agreement or renegotiated as may be dictated by the then existing needs of the parties hereto.

15. It shall be the duty of the Board in the operation of its plant to treat all wastes in such a manner as to produce a plant effluent which is in conformance with the effluent discharge requirement of the NPDES permit, and it is agreed between the parties hereto that the TOWN will be held harmless by the CITY and the Board in any second party action related to effluent quality, it being understood and agreed between the parties hereto that the TOWN shall otherwise have no authority or control over the operation of the plant or the quality of the plant's effluent being discharged into the river.

16. The TOWN agrees that it will comply with all EPA policies pertaining to user charge and industrial cost recovery, and that it will hold the CITY and the Board harmless for any damages which may be proved to have been caused by reason of the TOWN's noncompliance with such policies.

17. All matters of controversy which may arise concerning compliance of the parties hereto with the provisions of this CONTRACT shall be resolved as follows:

(i) In the event of controversy arising by reason of an illegal discharge, or other illegal act by the TOWN, which may place the BOARD's facilities or treatment process in jeopardy to the extent that substantial damages will result to the BOARD's facilities, or that the BOARD will not be able to render treatment to the degree required by its discharge permit, the BOARD shall first notify the TOWN in writing hand delivered to the TOWN of the nature of the problem and of its potential impact on the BOARD's operation, and requesting an immediate response as to what remedial action will be taken. Thereafter the BOARD may:

(a) If time permits, obtain a court order requiring the TOWN to immediately discontinue such illegal discharge or other act, or

(b) If the BOARD deems that time is of the essence in preventing extensive damage to its facilities or the disruption of its treatment process, the BOARD may then, after first notifying the TOWN by person and in writing, of its intentions and the reason therefor, stop the flow of sewage from the TOWN into the BOARD's system, it being further agreed that

(c) The TOWN shall pay all of the cost of correction of any damage which the BOARD can show to have been the result of such illegal flow or other illegal act by the TOWN.

(ii) In the event of a controversy pertaining to rates and charges, such matters shall be resolved in accordance with the rules of the U. S. Environmental Protection Agency and of the West Virginia Public Service Commission as they may pertain thereto.

IN WITNESS WHEREOF, the City of Fairmont has caused this CONTRACT to be signed on its behalf by Richard J. Bowen, City Manager, and its corporate seal to be affixed thereto by Lena C. West, its City Clerk, by authority of a resolution of the City Council of the City of Fairmont duly adopted on the 6th day of June, 1978, and

IN WITNESS WHEREOF, the Sanitary Sewer Board of the City of Fairmont has caused this CONTRACT to be signed on its behalf by Richard J. Bowen, its Chairman and its seal to be affixed thereto by Connie F. Quedens, its Secretary, by authority of a resolution of the Sanitary Sewer Board adopted on the 22nd day of May, 1978, and

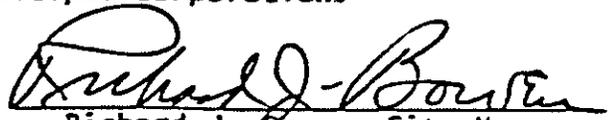
IN WITNESS WHEREOF, the Town of Barrackville has caused this CONTRACT to be signed by Darroll Courtney, its Mayor, and its corporate seal to be affixed thereto by H. Lester Merrifield, its Recorder, by authority of a resolution of the Town Council of the Town of Barrackville duly adopted on the 6th day of June, 1978.

This CONTRACT is executed in three (3) copies with one (1) copy to each party hereto, each copy of which shall be deemed an original for all purposes.

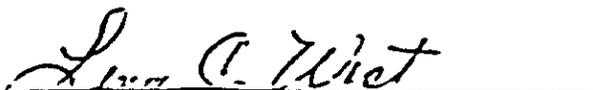
THE CITY OF FAIRMONT,  
a municipal corporation.

S E A L

By:

  
Richard J. Bowen, City Manager

ATTEST:



SANITARY SEWER BOARD OF THE  
CITY OF FAIRMONT

SEAL

By: *Richard J. Bowen*  
Richard J. Bowen, Chairman

ATTEST:

*Connie F. Quedens*  
Connie F. Quedens, Secretary

TOWN OF BARRACKVILLE,  
a Municipal Corporation

SEAL

By: *Darroll Courtney*  
Darroll Courtney, Mayor

ATTEST:

*H. Lester Merrifield*  
H. Lester Merrifield, Recorder

Approved as to correctness of form and content for the City of Fairmont  
this the 7th day of June, 1978.

*George R. Higinbotham*  
George R. Higinbotham, City Attorney

Approved as to correctness of form and content for the Sanitary Sewer  
Board of the City of Fairmont this the 7th day of June, 1978.

*George W. May*  
George W. May, Its Attorney

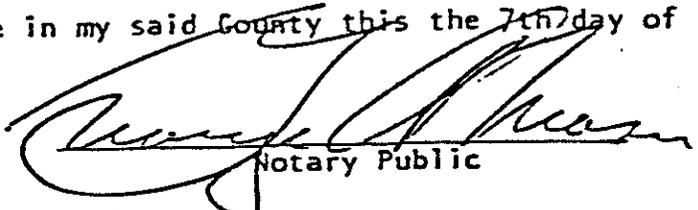
Approved as to correctness of form and content for the Town of Barrackville  
this the 7th day of June, 1978.

*J. Scott Tharp*  
J. Scott Tharp, Its Attorney

STATE OF WEST VIRGINIA  
COUNTY OF MARION, TO WIT:

I, George A. Mason, a Notary Public in and for the State and County  
aforesaid, certify that Richard J. Bowen, Lena C. West, Connie F. Quedens,  
Darroll Courtney, H. Lester Merrifield, George R. Higinbotham, George W. May  
and J. Scott Tharp, whose names are signed to the CONTRACT FOR TREATMENT BY THE  
CITY OF FAIRMONT OF SEWAGE FROM THE TOWN OF BARRACKVILLE AND ITS SERVICE AREA  
entered into by the City of Fairmont, The Sanitary Sewer Board of the City of  
Fairmont, and the Town of Barrackville, and dated the 22nd day of June, 1978,

have acknowledged the same before me in my said County this the 7th day of June, 1978.

  
Notary Public

My Commission Expires:

April 14, 1986

U

AMENDMENT TO THE CONTRACT  
FOR TREATMENT BY THE CITY OF FAIRMONT  
OF SEWAGE FROM  
THE TOWN OF BARRACKVILLE AND ITS SERVICE AREA

THIS AMENDMENT, dated this 19th day of November, 1985, by and between the CITY OF FAIRMONT, a municipal corporation, hereinafter referred to as CITY, the SANITARY SEWER BOARD OF THE CITY OF FAIRMONT, hereinafter referred to as BOARD, and the TOWN OF BARRACKVILLE, a municipal corporation, hereinafter referred to as TOWN.

WITNESSETH THAT:

WHEREAS, the parties hereto have entered into a Contract for Treatment by the City of Fairmont of Sewage from the Town of Barrackville and its Service Area, dated May 22, 1978, providing for the BOARD to accept, transport and treat sewage from the TOWN and for the TOWN to compensate the BOARD for such service; and

WHEREAS, the parties wish to amend and change Section 4 of said Contract concerning the payment of charges to the BOARD by the TOWN and the manner of determining same, and Section 6, Paragraph IV thereof concerning ownership of the metering facilities.

NOW THEREFORE, in consideration of these recitals, the parties hereto mutually agree as follows:

1. That Section 4 of said Contract be amended, modified and changed to read as follows:

The charges made to the TOWN by the BOARD for providing the services contemplated hereunder shall be, in the first instance, established by the BOARD in accordance with fair cost accounting and allocation principles, with the objective that the BOARD will recover from the TOWN its costs, both capital (including required bond service coverages) and operating, incurred in making service available and providing service to the TOWN, without requiring other users of the CITY sewer system to subsidize capital or operating costs incurred by the BOARD for the purpose of serving the TOWN. Initially, rates charged by the BOARD to the TOWN will be established and subsequently amended from time to time as necessary pursuant to the provisions of Chapter 16, Article 13 and Chapter 24, Article 2 of the West Virginia Code, as amended. All such rates, when established in accordance with procedures promulgated by the Legislature of the State of West Virginia, and of any regulating or other agency or authority

having jurisdiction in such matters, shall automatically, upon proper adoption and notice to the TOWN, become an amendment to this CONTRACT without further action by the parties hereto.

In determining said charges, the following provisions shall apply:

a. The TOWN will pay a proportionate share of the capital costs (including bond service coverages) for the treatment plant and collection system and the operating costs of the BOARD'S treatment facility, which operating costs are defined as the cost of all labor, power, chemicals, vehicle expenses, maintenance, repair, replacement, improvement, and administrative expenses without requiring other users of the CITY sewer system to subsidize capital upgrading costs incurred by the BOARD for the purpose of serving the TOWN.

b. The proportionate share paid by the TOWN will be based on actual sewage flows. The TOWN'S flow will be metered and compared to the total flow treated at the BOARD'S treatment plant.

c. The TOWN shall pay capital costs based on actual flows as a percentage of plant capacity. In no event shall this amount be less than the 0.24 mgd that has been reserved for the TOWN. This represents 4% of the plant's 6.0 mgd capacity. The TOWN shall also pay the proportional share of capital costs for the collection system improvements made to accommodate the TOWN'S sewerage.

d. The BOARD will bill the TOWN on a monthly basis for these services. The amount of this bill will initially be based on projected flows until actual flow data is available.

e. The total annual cost paid by the TOWN to the BOARD will be adjusted at the end of the first year to account for actual vs. projected flows and actual vs. projected costs.

f. The BOARD will provide the TOWN with financial reports verifying the costs of operation and maintenance items and the flows treated at the plant.

g. The account number used in calculating Barrackville's share of treatment expense shall be:

228 - Taxed Accrued  
741 - Operation, Supervision & Engineering  
742 - Operation Labor  
743-1 - Supplies & Expenses  
743-2 - Chemical Treatment Expenses  
744 - Maintenance Supervision & Engineering  
745 - Maintenance of Structures & Improvements  
746 - Maintenance of Treatment & Disposal System Equipment  
795 - Special Services  
797 - Regulatory Commission Expenses  
798 - Insurance  
799 - Injuries & Damages  
800-1 - Employee's Welfare Expenses  
800-2 - Pensions

h. Any adjusted amounts due or receivable upon completion of the annual review of expenses shall be prorated over three months.

i. The CITY and the BOARD will, after service to the TOWN is in effect, provide the TOWN, at least annually, with:

(i) A copy of the BOARD'S annual report filed with the Public Service Commission of West Virginia.

(ii) A copy of such audited financial statements as the CITY provides for holders of revenue bonds issued by the CITY, payable from revenues of its sewer system.

(iii) A copy of all reports of audit of the BOARD'S records prepared by the BOARD'S auditors or by State or Federal auditors.

The cost of preparing these documents will be allocated to the TOWN and to other users of the CITY'S sewer system in accordance with sound public utility accounting principles. Upon the request of the TOWN, the BOARD will cause to be made such other and additional financial information as the TOWN may reasonably request, but at the sole cost of the TOWN.

2. That Section 6, Paragraph IV of said Contract be amended, modified and changed to read as follows:

Connection to the BOARD'S Sewer System - The BOARD shall provide the TOWN with the design and specifications for connecting the TOWN'S system to the CITY'S system and for metering the flow of sewage into the CITY'S system. Upon construction of such facilities, the TOWN will own, operate, maintain, test, repair and replace the metering facilities.

3. That where a conflict may exist between the provisions of this Amendment and the provisions of said Contract between the parties hereto dated May 22, 1978, the provisions of this Amendment shall apply and otherwise the provisions of said Contract are unchanged and remain in full force and effect.

IN WITNESS WHEREOF, the City of Fairmont, by resolution properly adopted, has caused this AMENDMENT to be signed on its behalf by Edwin C. Daley, City Manager, and its corporate seal to be affixed thereto by Bettie M. Hogan, its City Clerk; and

IN WITNESS WHEREOF, the Sanitary Sewer Board of the City of Fairmont, by resolution properly adopted, has caused this AMENDMENT to be signed on its behalf by Edwin C. Daley, its Chairman and its seal to be affixed thereto by Francis C. Schapperle, its Secretary; and

IN WITNESS WHEREOF, the Town of Barrackville, by resolution properly adopted, has caused this AMENDMENT to be signed by Jack R. White, its Mayor, and its corporate seal to be affixed thereto by H. Lester Merrifield, its Recorder.

This AMENDMENT is executed in three (3) copies with one (1) copy to each party hereto, each copy of which shall be deemed an original for all purposes.

THE CITY OF FAIRMONT,  
a Municipal Corporation

By: Edwin C. Daley  
Edwin C. Daley, City Manager

ATTEST:

Bettie M. Hogan  
Bettie M. Hogan, City Clerk

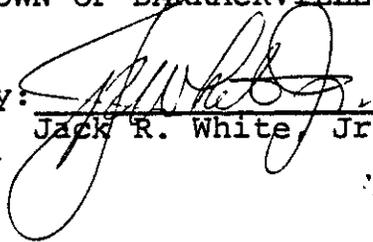
SANITARY SEWER BOARD OF THE CITY OF  
FAIRMONT

By: Edwin C. Daley  
Edwin C. Daley, Chairman

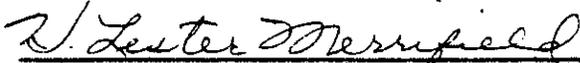
ATTEST:

Frances C. Schapperle  
Frances C. Schapperle, Secretary

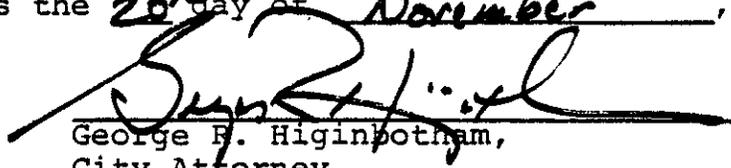
TOWN OF BARRACKVILLE

By:   
Jack R. White, Jr., Mayor

ATTEST:

  
H. Lester Merrifield, Recorder

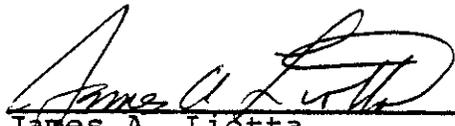
Approved as to correctness of form and ~~content~~ for  
the City of Fairmont this the 20<sup>th</sup> day of November,  
1985.

  
George B. Higinbotham,  
City Attorney

Approved as to correctness of form and content for  
the Sanitary Sewer Board of the City of Fairmont this the 20<sup>th</sup>  
day of November, 1985.

  
James O. Watkins, Jr.  
Its Attorney

Approved as to correctness of form and content for  
the Town of Barrackville this the 20<sup>th</sup> day of November,  
1985.

  
James A. Liotta,  
Its Attorney

STATE OF WEST VIRGINIA,

COUNTY OF MARION, TO-WIT:

I, Thomas R. STEVICK, a Notary Public in and for the State and County aforesaid, certify that Edwin C. Daley, Bettie M. Hogan, Frances C. Schapperle, Jack R. White, H. Lester Merrifield, George R. Higinbotham, James O. Watkins, Jr., and James A. Liotta, whose names are signed to the above, have acknowledged the same before me in my said County this the 26 day of November, 1985.

Thomas R. Stevick  
Notary Public

My commission expires:

1/20/92





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION III

841 Chestnut Building  
Philadelphia, Pennsylvania 19107

RECEIVED

NOV 5 1985

OCT 29 1985

CERTIFIED MAIL

RE: C-540227-03  
Town of Barrackville

BERNARD G SANDSON CO.

Honorable Jack R. White, Jr.  
Mayor, Town of Barrackville  
P.O. Box 26  
Barrackville, West Virginia 26559

Dear Mayor White:

You were advised by mailgram on September 9, 1985, that the bidding procedures for Contracts 1 & 2 of the referenced project were approved and that the contracts could be awarded to the low responsive bidders as indicated by the proposal you submitted.

In addition, EPA Form 5780-1B is approved with the following revisions:

<u>Item</u>	<u>For Grant Participation</u>
A. Construction	
1. Contract 1	\$ 1,867,623
2. Contract 2	387,535
3. Video Taping	4,372
4. Equipment	46,200
B. Technical Services	173,531 <u>1/</u>
C. Legal & Fiscal	38,760
D. Administrative (Project Coordination)	30,843 <u>1/</u>
E. Contingency	<u>112,736</u> <u>2/</u>
F. Total	\$ 2,661,600
<u>1/</u> Prorated at .9873	
<u>2/</u> Contingency reduced to reflect allowable amount to nearest \$100 increment	

As the revised eligible project cost is \$2,661,600, the grant has been decreased with the concurrence of the West Virginia Department of Natural Resources to an amount not to exceed \$1,996,200. The original and one copy of the Assistance Amendment reflecting the decrease in Federal obligation are enclosed. Please execute the amendment and return the original, within twenty-one days of your receipt to Ms. Catherine Mastropieri, Chief, Grants Management Section. The copy should also be signed and retained for your files.

Mayor Jack R. White, Jr.  
Town of Barrackville  
Page 2

When the contracts have been awarded, one executed copy of the construction agreements, performance and payment bonds, and the Notices-to-Proceed should be promptly submitted to this office, and one similar set forwarded to the West Virginia Department of Natural Resources. Payments will not be made by this office for construction until our receipt of these items.

The Assistance Agreement for the project has conditions which require the submissions and approval of certain documents to satisfy regulatory requirements of the program and which are enforced through the grant payment process.

In order to assure timely processing of payment requests, these documents must be submitted through the State Agency in advance of the payment milestone specified in the Assistance Agreement.

We are enclosing information sheets outlining the procedures to be followed in making contract modifications and for submitting partial payment requests.

Sincerely,

Alvin R Morris, Director  
Water Management Division

Enclosures (2)

cc: Mr. Mike Johnson, WVDNR  
Mr. Edgar Henry, WDA  
B. G. Sampson ✓  
Tom Stevick



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION III

6TH AND WALNUT STREETS  
PHILADELPHIA, PENNSYLVANIA 19106

CERTIFIED MAIL

Re: C-540227-03  
Town of Barrackville

OCT 5 1984

Honorable Jack R. White, Jr.  
Mayor, Town of Barrackville  
P. O. Box 26  
Barrackville, West Virginia 26559

Dear Mayor White:

We are pleased to inform you of the award of a Step III Federal grant for the construction of a sanitary sewer collection system for the referenced project, as described in your application and approved by the West Virginia Department of Natural Resources.

The grant award is for an amount not to exceed \$2,909,780. This amount includes Basic funds of \$2,833,570 and Alternative funds of \$76,210, and is subject to the conditions set forth in Part III of the Assistance Agreement.

Copies of the applicable Federal Regulations are forwarded for your reference.

The original and a copy of the Assistance Agreement are enclosed. The original copy of the Agreement should be signed and returned to Mr. Frank Sack, Chief, Grants Management Section, within twenty-one days of your receipt. The copy should also be signed and retained for your files.

Sincerely yours,

Greene A. Jones, Director  
Water Management Division

Enclosures

cc: Mr. Warren Means, WVDNR  
Mr. Edgar Henry, WDA  
Mr. Wesley King, COE  
Bernard G. Sampson, Inc. ✓



26

**U.S. ENVIRONMENTAL PROTECTION AGENCY  
EPA ASSISTANCE AGREEMENT/AMENDMENT  
PART I - ASSISTANCE NOTIFICATION INFORMATION**

1. STANCE ID NO. 40227-03-0	2. LOG NUMBER Three - C
3. DATE OF AWARD SEP 28 1984	4. MAILING DATE OCT 5 1984

<b>5. AGREEMENT TYPE</b>		<b>6. PAYMENT METHOD</b>	
Cooperative Agreement		<input type="checkbox"/> Advance	<input checked="" type="checkbox"/> Reimbursement
Grant Agreement	X	Send Payment Request To:	
Assistance Amendment		Grants Management Section	
		<b>7. TYPE OF ACTION</b> Continuation	

<b>RECIPIENT ORGANIZATION</b>	<b>8. RECIPIENT</b> Town of Barrackville P.O. Box 26 Barrackville, West Virginia 26559	<b>9. PAYEE</b> Town of Barrackville P.O. Box 26 Barrackville, West Virginia 26559
	<b>10. RECIPIENT TYPE</b> City	

<b>11. PROJECT MANAGER AND TELEPHONE NO.</b> Jack R. White, Jr., Mayor (304) 366-7999	<b>12. CONSULTANT (WWT Construction Grants Only)</b> Bernard G. Sampson, Incorporated P.O. Box 368 Fairmont, West Virginia 26554 (304) 366-4455
---------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>13. ISSUING OFFICE (City/State)</b> Philadelphia, Pennsylvania	<b>14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.</b> R. Fenton Roudabush, Chief West Virginia Section (215) 597-9131
----------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------

<b>15. EPA CONGRESSIONAL LIAISON &amp; TEL. NO.</b> Patricia Gaskins 202-382-5184	<b>16. STATE APPL ID (Clearinghouse)</b> 78041021	<b>17. FIELD OF SCIENCE</b> N/A	<b>18. PROJECT STEP (WWT CG Only)</b> III
--------------------------------------------------------------------------------------	------------------------------------------------------	------------------------------------	----------------------------------------------

<b>19. STATUTORY AUTHORITY</b> Clean Water Act, Title II	<b>20. REGULATORY AUTHORITY</b> 40 CFR, Parts 30 & 35	<b>21. STEP 2 + 3 &amp; STEP 3 (WWT Construction Only)</b>								
		<table border="1"> <tr> <td>a. Treatment Level</td> <td>I</td> </tr> <tr> <td>b. Project Type</td> <td>N/A</td> </tr> <tr> <td>c. Treatment Process</td> <td>N/A</td> </tr> <tr> <td>d. Sludge Design</td> <td>N/A</td> </tr> </table>	a. Treatment Level	I	b. Project Type	N/A	c. Treatment Process	N/A	d. Sludge Design	N/A
a. Treatment Level	I									
b. Project Type	N/A									
c. Treatment Process	N/A									
d. Sludge Design	N/A									

**22. PROJECT TITLE AND DESCRIPTION**  
Construction of 79,837 LF of 1½" to 10" lines and 5 lift stations. The eligible project includes allowable associated costs as defined in 40 CFR 35.2250 up to the amounts shown in Part II of the Assistance Agreement.

<b>23. PROJECT LOCATION (Area Impacted by Project)</b>			
<b>City/Place</b> Barrackville	<b>County</b> Marion	<b>State</b> WV	<b>Congressional District</b> 1st

<b>24. ASSISTANCE PROGRAM (CFDA Program No. &amp; Title)</b> 66.418	<b>25. PROJECT PERIOD</b> 10/84 - 05/87	<b>26. BUDGET PERIOD</b> N/A
<b>27. COMMUNITY POPULATION (WWT CG Only) 2,570</b>	<b>28. TOTAL BUDGET PERIOD COST</b> N/A	<b>29. TOTAL PROJECT PERIOD COST</b> \$3,778,100

FUNDS	FORMER AWARDS	THIS ACTION	AMENDED TOTAL
30. EPA Amount This Action		2,909,780	
31. EPA In-Kind Amount			
32. Unexpended Prior Year Balance			
33. Other Federal Funds			
34. Recipient Contribution			
35. State Contribution			
36. Local Contribution			
37. Other Contribution			
38. Allowable Project Cost		3,778,100	

FISCAL	Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deblig. Amount
	GDJW80	81-R	68X0103.D	W81003	MGDJ036006	41.11	\$ 129,100
	GHHW80	82-C	68X0103.E	W82001	MGHH036006	41.11	1,246,770
	GLAW80	84	68X0103.G	W84001	4GLA036006	41.11	1,457,700
	GLDW80	84	68X0103.G	WA8406	4GLD036006	41.11	76,210

**TABLE A - PROJECT CLASS CATEGORY (Construction)**

**TOTAL APPROVED ALLOWABLE BUDGET PERIOD COST**

1. PERSONNEL	
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS: RATE % BASE	
11. TOTAL (Share: Recipient _____% Federal _____%)	
12. TOTAL APPROVED ASSISTANCE AMOUNT	\$ N/A

**TABLE B - PROGRAM ELEMENT CLASSIFICATION (Non-construction)**

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12. TOTAL (Share: Recipient _____% Federal _____%)	
13. TOTAL APPROVED ASSISTANCE AMOUNT	\$ N/A

**TABLE C - PROGRAM ELEMENT CLASSIFICATION (Construction)**

Basic (75%)      Alternat: (10%)

1. ADMINISTRATION EXPENSE	73,920	14,937
2. PRELIMINARY EXPENSE		
3. LAND STRUCTURES, RIGHT-OF-WAY		
4. ARCHITECTURAL ENGINEERING BASIC FEES	22,875	4,620
5. OTHER ARCHITECTURAL ENGINEERING FEES	29,291	5,910
6. PROJECT INSPECTION FEES	151,986	30,700
7. LAND DEVELOPMENT		
8. RELOCATION EXPENSES		
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES		
10. DEMOLITION AND REMOVAL		
11. CONSTRUCTION AND PROJECT IMPROVEMENT	3,126,005	630,390
12. EQUIPMENT	46,200	9,330
13. MISCELLANEOUS Video Taping Contract	15,246	3,080
14. TOTAL (Lines 1 thru 13)		
15. ESTIMATED INCOME (If applicable)		
16. NET PROJECT AMOUNT (Line 14 minus 15)		
17. LESS: INELIGIBLE EXCLUSIONS		
18. ADD: CONTINGENCIES	312,577	63,120
19. TOTAL (Share: Recipient <u>23</u> % Federal <u>77</u> %)	3,778,100	762,100
20. TOTAL APPROVED ASSISTANCE AMOUNT	\$2,909,780	76,210

**a. GENERAL CONDITIONS**

The recipient covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this agreement, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The recipient warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFP Part 30, and (2) any special conditions set forth in this assistance agreement or any assistance amendment pursuant to 40 CFR 30.425.

**b. SPECIAL CONDITIONS:**

*(For cooperative agreements include identification or summarization of EPA responsibilities that reflect or contribute to substantial involvement.)*

The grantee is subject to all the requirements of 40 CFR Part 35, Subpart I, Part 30, Part 33 and other pertinent regulations. The grantee is directed to certain following special considerations of those requirements.

**(1) Regulations Affecting Federal Grant Payments**

- (a) Payments shall not be made for Step III professional services until the grantee complies with the procurement requirements of 40 CFR Part 33, Subpart A.
- (b) The Regional Administrator shall not pay more than 50% of the Federal share unless the grantee has furnished a satisfactory final plan of operation, and shall not pay more than 90% unless the grantee has furnished a satisfactory operation and maintenance manual (40 CFR 35.2206).
- (c) Payments shall be made in accordance with 40 CFR 35.2300.
- (d) The grantee may submit requests for payment for allowable costs incurred in accordance with the following schedule:

<u>Payment No.</u>	<u>Date</u>	<u>Payment</u>	<u>Cumulative Amount</u> (not to be exceeded)
1	10/84	140,000	140,000
2	11/84	140,000	280,000
3	12/84	75,000	355,000
4	01/85	75,000	430,000
5	02/85	75,000	505,000
6	03/85	140,000	645,000
7	04/85	140,000	785,000
8	05/85	140,000	925,000
9	06/86	140,000	1,065,000
10	07/85	151,935	1,216,935
11	08/85	151,935	1,368,870
12	09/85	151,935	1,520,805
13	10/85	151,935	1,672,740
14	11/85	151,935	1,824,675
15	12/85	151,935	1,976,610
16	01/86	151,935	2,128,545
17	02/86	151,935	2,280,480
18	03/86	151,935	2,432,415
19	04/86	151,935	2,584,350
20	05/86	319,425	2,903,775
21	11/86	3,000	2,906,775
22	05/87	3,000	2,909,780

(2) Project Schedule Changes

For any changes in the project which increase the cost, delay or accelerate the project or alter the project in other ways (40 CFR 35.2204), the grantee must receive a formal grant amendment from the Regional Administrator before implementing the changes. Of particular interest is any change in the building completion date as referenced in 40 CFR 35.2216 and the initiation of project operation date. The latter date is considered, at the time of this grant, to be 05/86. The grantee further agrees to provide the Regional Administrator upon request, with a revised schedule for payment.

(3) Project Initiation

The grantee agrees to initiate the building of all significant elements of the project within 12 months of the date of this grant award (40 CFR 35.2212). To the extent practicable this initiation should not occur before all sites, easements and rights-of-way are acquired. The grantee shall notify the Regional Administrator immediately upon award of the contracts.

(4) Sewer Use Ordinance and User Charge System

The grantee agrees to adopt its sewer use ordinance and implement its user charge system before the treatment works is placed in operation (40 CFR 35.2208).

(5) Project Replacement

The grantee shall inform the Regional Administrator within two years after the initiation of the operation of the project if the project is failing to meet the project performance standards. If necessary the Regional Administrator may award 100% of the allowable costs for modification or replacement (40 CFR 35.2032(c)).

(6) Project Performance

The grantee agrees to certify to the Regional Administrator on the date one year after the initiation of operation whether or not the project is capable of meeting the project performance standards (40 CFR 35.2218(c)).

(7) Subagreements and Contracts

- (a) The grantee agrees to negotiate a subagreement and contract for all services to be awarded under this grant. Such subagreements and contracts shall be in conformance with and incorporate the required clauses of 40 CFR Part 33.
- (b) A copy of the proposed subagreements and contracts shall be submitted to the Regional Administrator for review and pre-award approval as appropriate under 40 CFR Part 33. The submittal of the proposed subagreements and contracts shall include the procurement records required in Appendix A to 40 CFR Part 33.
- (c) The grantee shall submit to the Regional Administrator the proposed subagreement and contract cost or price data on EPA Form 5700-41 or on a form which contains similar information.

(8) Flood Insurance

The grantee agrees to acquire and maintain at his own cost any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended. This condition shall not be applicable if, on the date of execution of this Grant Amendment by both parties, flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location.

(9) Land Acquisition

The grantee shall not make any offer to acquire allowable real property until the Regional Administrator approves the price the grantee will offer the property owner (40 CFR 35.2210).

(10) Review

The grantee recognizes that approval of any part of this grant, change orders, grant increase amendments, subagreements, any specific items, or eligibility of any other costs will be subject to final review, including project officer review, audit review, and final determination of the Grant Approving official.

(11) MBE/WBE Requirements

The recipient agrees to submit to the Chief, Construction Grants Branch, Attn: EEO Specialist, EPA-Region III, a completed Form 6005-1 within 15 days after the end of each Federal fiscal quarter during which the recipient or its contractors award any subagreements to a minority or women's business for building and building-related services and supplies.

(12) Property Accountability

The grantee is required to maintain property accountability on all such equipment in accordance with Circular A-102 and the requirements of 40 CFR 30.531 (Property Control).

(13) Utilization of an MBE Firm

In addition to the MBE/WBE requirements of this grant offer, the grantee is responsible for fulfilling the MBE subcontract provisions under the Step 2 grant. Copies of the proposed MBE subcontracts will be submitted to DNR/EPA for review and approval within 90 days of acceptance of this grant offer.

PART IV

NOTE: The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers assistance/amendment to the Town of Barrackville for 77 % of all approved costs incurred up to and not exceeding \$ 2,909,780

for the support of approved budget period effort described in application (including all application modifications) C-540227-03 Town of Barrackville included herein by reference.

Table with 2 columns: ISSUING OFFICE (Grants Administration Office) and AWARD APPROVAL OFFICE. Both columns list the Environmental Protection Agency, Grants Management Section, Curtis Building, 6th & Walnut Streets, Philadelphia, Pennsylvania 19106.

Table with 3 columns: SIGNATURE OF AWARD OFFICIAL (Thomas P. Eichler), TYPED NAME AND TITLE (Regional Administrator), and DATE (SEP 28 1984).

This Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter 1, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

Table with 3 columns: SIGNATURE (Jack R. White, Jr.), TYPED NAME AND TITLE (Mayor), and DATE (10/16/84).



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

ACCEPTANCE OF DUTIES OF REGISTRAR AND PAYING AGENT

KANAWHA VALLEY BANK, N.A., a national banking association with principal office in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Barrackville Sewer Revenue Bonds, Series 1985 A and Series 1985 B, dated December 9, 1985, in the aggregate principal amount of \$927,000 and Paying Agent in connection with the Town of Barrackville Sewer Revenue Bonds, Series 1985 A, and agrees to perform all duties of Registrar and Paying Agent in connection with such Bonds, all as set forth in the Local Act authorizing issuance of the Bonds.

KANAWHA VALLEY BANK, N.A.

By

  
Its ASSISTANT CORPORATE TRUST OFFICER

12/18/85  
BARR1-R



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

CITY NATIONAL BANK OF FAIRMONT, a national banking association with principal office in the City of Fairmont, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond and Notes Ordinance of the Town of Barrackville enacted December 3, 1985, authorizing issuance of the Town of Barrackville Sewer Revenue Bonds, Series 1985 A and Series 1985 B, dated December 9, 1985, in the aggregate principal amount of \$927,000 (the "Governmental Agency Bonds") and agrees to perform all duties of Depository Bank in connection with such Governmental Agency Bonds, all as set forth in said Ordinance.

CITY NATIONAL BANK OF FAIRMONT

By

*Paul Smith*  
Its *Vice President and Treasurer*

12/06/85  
BARRI-W



TOWN OF BARRACKVILLE

Sewer Revenue Bonds,  
Series 1985 A and Series 1985 B

REGISTRATION OF BONDS

I, CHARLOTTE S. MORGAN, ASSISTANT CORPORATE TRUST OFFICER of Kanawha Valley Bank, N.A., as Registrar under the Local Act providing for the \$927,000 aggregate principal amount of Sewer Revenue Bonds, Series 1985 A and Series 1985 B, of the Town of Barrackville (the "Governmental Agency"), hereby certify that on the 9th day of December, 1985, (i) the single fully registered Series A Bond of the Governmental Agency in the principal amount of \$618,894 designated "Sewer Revenue Bond, Series 1985 A," numbered R-1, and dated on the date hereof and (ii) the single fully registered Series B Bond of the Governmental Agency in the principal amount of \$308,106, designated "Sewer Revenue Bond, Series 1985 B," numbered R-1 and dated on the date hereof were both registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Governmental Agency kept for that purpose at our office, by a duly authorized officer on behalf of the Kanawha Valley Bank, N.A., as Registrar.

WITNESS my signature as of this 9th day of December, 1985.

KANAWHA VALLEY BANK, N.A.

By Charlotte S. Morgan  
Its ASSISTANT CORPORATE TRUST OFFICER

12/06/85  
BARR1-S



REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 9th day of December, 1985, by and between the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia (the "Governmental Agency"), and KANAWHA VALLEY BANK, N.A., a national banking association (the "Registrar").

WHEREAS, the Governmental Agency has, contemporaneously with the execution hereof, issued and sold its \$927,000 aggregate principal amount of Sewer Revenue Bonds, Series 1985 A and Series 1985 B, in fully registered form (the "Governmental Agency Bonds"), pursuant to a Bond and Notes Ordinance and a Supplemental Bond Resolution adopted December 3, 1985 (collectively, the "Local Act");

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 Local Act, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Local Act provides for an appointment by the Governmental Agency of a Registrar and Paying Agent for the Governmental Agency Bonds; and

WHEREAS, the Governmental Agency desires to appoint, and by the Local Act and this Registrar's Agreement does appoint, the Registrar to act as Paying Agent and Registrar under the Local Act 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 Governmental Agency and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of the Paying Agent and Registrar, for the Series 1985 A Bonds, and as Registrar only for the Series 1985 B Bonds all as set forth in the Local Act, such duties including, among other things, the duties to authenticate, register and deliver Governmental Agency 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

Governmental Agency 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 Governmental Agency advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Governmental Agency with appropriate records of all transactions carried out by it as Paying Agent and Registrar and to furnish the Governmental Agency 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 Governmental Agency 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 Governmental Agency.

4. The Governmental Agency hereby agrees to indemnify the Registrar against any loss, liability or expense incurred by the Registrar other than liability arising by reason of the bad faith, negligence or willful misconduct of the Registrar, and the Registrar hereby agrees to indemnify the Governmental Agency against any loss, liability or expense incurred by the Governmental Agency by reason of the bad faith, negligence or willful misconduct of the Registrar. Such expense, in either case, shall include the costs and expenses of defending against any claim or liability. Neither the Governmental Agency nor the Registrar shall be liable under or held in breach of this Registrar's Agreement if prevented, hindered or delayed in the performance or observance of any provision of this Registrar's Agreement by reason of any act of God, strikes, lockouts, riots, acts of war, epidemics, government action or regulation imposed after the fact, judicial order, earthquakes, floods, fires or other causes beyond their reasonable control.

5. As compensation for acting as Paying Agent and Registrar pursuant to this Registrar's Agreement, the Governmental Agency hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

6. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Local Act with respect to the Paying Agent and Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Local Act, the terms of the Local Act shall govern.

7. The Governmental Agency 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 Local Act will violate any order, decree or agreement to which it is a party or by which it is bound.

8. 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:

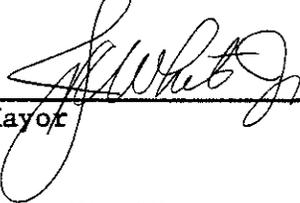
ISSUER: Town of Barrackville  
Town Hall  
Post Office Box 26  
Barrackville, West Virginia 26559

AGENT: Kanawha Valley Bank, N.A.  
One Valley Square  
Post Office Box 1793  
Charleston, West Virginia 25301  
Attention: Paying Agency Department

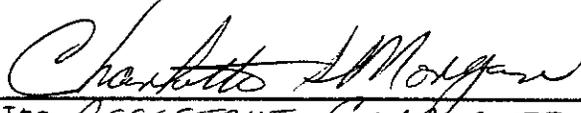
9. The Registrar is hereby requested and authorized to authenticate and deliver the Governmental Agency Bonds in accordance with the Local Act.

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE and KANAWHA VALLEY BANK, N.A. have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

TOWN OF BARRACKVILLE

By   
Mayor

KANAWHA VALLEY BANK, N.A.

By   
Its ASSISTANT CORPORATE  
TRUST OFFICER

12/06/85  
BARRI-T

EXHIBIT A



ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto Kanawha Valley Bank, N.A., Charleston, West Virginia, the Series 1985 A revenue bond of the Town of Barrackville in the principal amount of \$618,894, No. R-1 herewith, standing in the name of West Virginia Water Development Authority on the books of said Governmental Agency.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

  
Authorized Representative

Dated: December 9, 1985