BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

Date of Closing: May 3, 1990

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1	*Bond and Notes Resolution*
2	*Supplemental Resolution*
3	*Loan Agreement*
4	*Supplemental Loan Agreement*
5	*Public Service Commission Orders*
6	*Cross-Receipt for Bonds and Bond Proceeds*
7	*Direction to Authenticate and Deliver Bonds*
8	*Specimen Series 1990 A Bond*
9	*Specimen Series 1990 B Bond*

OPINIONS OF COUNSEL

10	*Approving Opinion on Series 1990 A Bond of Steptoe & Johnson, Bond Counsel*
11	*Approving Opinion on Series 1990 B Bond of Steptoe & Johnson, Bond Counsel*
12	*No Arbitrage Opinion of Steptoe & Johnson, Bond Counsel*
13	*Opinion of Counsel to Issuer*

CERTIFICATES

14	*General Certificate of Issuer and Attorney*
15	*Certificate as to Arbitrage*
16	*Certificate of Engineer*
17	*Certificate of Certified Public Accountant*

DOCUMENTS OF THE ISSUER

18	*County Commission Orders Relating to Creation of District and Affidavit of Publication*
19	*County Commission Orders Appointing Current Boardmembers*
20	*Oaths of Office of Current Boardmembers*
21	*Affidavits of Publication of Notice of Borrowing and Filing of PSC Application*
22	*Rules of Procedure of Board*
23	*Minutes of 1990 Organizational Meeting of Board*
24	*Minutes on Adoption of Bond and Notes Resolution and Supplemental Resolution*
25	*IRS Information Return (Form 8038-G) and Letter of Transmittal*
26	*Municipal Bond Commission New Issue Reports*

MISCELLANEOUS DOCUMENTS

27	*EPA Grant Agreement, with Part B Amendment*
28	*Evidence of County Commission Grant Commitment*
29	*Acceptance by One Valley Bank, National Association, of Duties as Registrar*
30	*Acceptance by One Valley Bank of Martinsburg, N.A. of Duties as Depository Bank*

MISCELLANEOUS DOCUMENTS (Continued)

31	*Certificate of Registration of Bonds*
32	*Registrar's Agreement*
33	*Assignment Separate From Bond*
34	*Prior Bonds Resolutions (Included in Transcript Nos. 1, 2 and 3 only)*
35	*NPDES Permit (Modification)*
36	*Approval of Engineering Agreement by Berkeley County Commission and Issuer*
37	*Memorandum of Legal Opinion of Prosecuting Attorney*
38	*Prior Bondholders' Consent to Issuance of Parity Bonds*
39	*Flow of Funds Schematic Diagram*

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BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

SEWER REVENUE BONDS,
SERIES 1990 A AND SERIES 1990 B
and
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES RESOLUTION

Table of Contents

Subject		Page
	ARTICLE I	
	STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	
Section 1.01	*Authority for this Resolution*	*1*
Section 1.02	*Findings*	*1*
Section 1.03	*Bond Legislation Constitutes Contract*	*5*
Section 1.04	*Definitions*	*5*
	ARTICLE II	
	AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT	
Section 2.01	*Authorization of Acquisition and Construction of the Project*	*16*
	ARTICLE III	
	AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT	
Section 3.01	*Authorization of Bonds*	*17*
Section 3.02	*Terms of Bonds*	*17*
Section 3.03	*Execution of Bonds*	*18*
Section 3.04	*Authentication and Registration*	*18*
Section 3.05	*Negotiability, Transfer and Registration*	*18*
Section 3.06	*Bonds Mutilated, Destroyed, Stolen or Lost*	*19*
Section 3.07	*Bonds not to be Indebtedness of the Issuer*	*20*
Section 3.08	*Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds*	*20*
Section 3.09	*Form of Original Bonds*	*20*
FORM OF SERIES 1990 A BOND		*21*
FORM OF SERIES 1990 B BOND		*29*

Section 3.10	*Sale of Original Bonds; Approval and Ratification of Execution of Loan Agreement with Authority*	*36*
Section 3.11	*"Amended Schedule A" Filing; Tender of Series 1990 B Bonds*	*36*

ARTICLE IV
INTERIM CONSTRUCTION FINANCING

Section 4.01	*Authorization and General Terms*	*37*
Section 4.02	*Terms of and Security for Notes; Trust Indenture*	*37*
Section 4.03	*Notes are Special Obligations*	*37*
Section 4.04	*Letters of Credit*	*37*

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	*Establishment of Funds and Accounts with Depository Bank*	*39*
Section 5.02	*Establishment of Funds and Accounts with Commission*	*39*
Section 5.03	*System Revenues; Flow of Funds*	*40*

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01	*Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds*	*46*
Section 6.02	*Disbursements From the Bond Construction Trust Fund*	*47*

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	*General Covenants of the Issuer*	*49*
Section 7.02	*Bonds and Notes not to be Indebtedness of the Issuer*	*49*
Section 7.03	*Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds*	*49*
Section 7.04	*Initial Schedule of Rates and Charges*	*50*
Section 7.05	*Sale of the System*	*50*
Section 7.06	*Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances*	*51*
Section 7.07	*Parity Bonds*	*52*
Section 7.08	*Books and Records*	*54*

Section 7.09	*Rates*	*56*
Section 7.10	*Operating Budget and Audit*	*56*
Section 7.11	*No Competing Franchise*	*57*
Section 7.12	*Enforcement of Collections*	*57*
Section 7.13	*No Free Services*	*58*
Section 7.14	*Insurance and Construction Bonds*	*58*
Section 7.15	*Mandatory Connections*	*59*
Section 7.16	*Completion of Project*	*60*
Section 7.17	*Tax Covenants*	*60*
Section 7.18	*Statutory Mortgage Lien*	*61*

ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	*Investments*	*63*
Section 8.02	*Arbitrage*	*64*
Section 8.03	*Tax Certificate and Rebate*	*64*

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	*Events of Default*	*66*
Section 9.02	*Remedies*	*67*
Section 9.03	*Appointment of Receiver*	*67*

ARTICLE X
DEFEASANCE

Section 10.01	*Defeasance of Series 1990 A Bonds*	*69*
Section 10.02	*Defeasance of Series 1990 B Bonds*	*70*
Section 10.03	*Defeasance of Notes*	*71*

ARTICLE XI
MISCELLANEOUS

Section 11.01	*Amendment or Modification of Bond Legislation*	*72*
Section 11.02	*Bond Legislation Constitutes Contract*	*72*
Section 11.03	*Severability of Invalid Provisions*	*72*
Section 11.04	*Headings, Etc.*	*72*
Section 11.05	*Conflicting Provisions Repealed*	*73*
Section 11.06	*Covenant of Due Procedure, Etc.*	*73*
Section 11.07	*Public Notice of Proposed Financing*	*73*
Section 11.08	*Consent to Issuance of Series 1990 A Bonds on Parity with Series 1986 A and Series 1986 C Bonds*	*73*

Section 11.09 Effective Date 74

SIGNATURES 74
CERTIFICATION 75

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN $300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, AND NOT MORE THAN $1,500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; 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; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting of acquisition and construction of collection lines, pumping stations, standby generators, force mains and laterals to serve the Highway 9 and Grapevine Road areas of Berkeley County, West Virginia, together with all appurtenant facilities (collectively, the "Project") which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing sewerage facilities, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $2,286,294, in accordance with the plans and specifications prepared by Howard Needles Tammen & Bergendoff, Charleston, West Virginia and amendments thereto prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Prior Bonds and the Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Prior Resolution, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $1,300,000 in two series, being the Series 1990 A Bonds in the aggregate principal amount of not more than $1,000,000, and the Series 1990 B Bonds in the aggregate principal amount of not more than $300,000 (collectively, the "Original Bonds"), and (at the option of the Issuer) to issue its sewerage system bond anticipation notes prior to issuance of the Original Bonds and contemporaneously therewith, or as soon as practicable thereafter, to issue its sewerage system grant anticipation notes, and/or a note or notes evidencing a line of credit, or any combination of the foregoing (collectively, the "Notes") in the aggregate principal amount of not more than $1,500,000 to temporarily finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes during the term thereof and upon the Bonds prior to and during construction or acquisition and

for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any fees for the providing of a letter of credit, 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.

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

F. It is in the best interests of the Issuer that its Original Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution.

G. There are outstanding obligations of the Issuer which will rank either senior and prior to, on parity with or junior and subordinate to the Bonds as to liens and sources of and security for payment, which obligations are designated and have the lien positions, together with the Bonds as follows:

Designation	Lien Position
Sewer Revenue Bonds, Series 1986 A, dated March 7, 1986, issued in the original aggregate principal amount of $3,290,658 (the "Series 1986 A Bonds")	First Lien
Sewer Revenue Bonds, Series 1986 C, dated March 7, 1986, issued in the original aggregate principal amount of $800,000 (the "Series 1986 C Bonds")	First Lien
Sewer Revenue Bonds, Series 1990 A (the "Series 1990 A Bonds")	First Lien
Sewer Revenue Bonds, Series 1986 B, dated March 7, 1986, issued in the original aggregate principal amount of $1,638,194 (the "Series 1986 B Bonds")	Second Lien
Sewer Revenue Bonds, Series 1990 B (the "Series 1990 B Bonds")	Second Lien

The Series 1986 A Bonds, Series 1986 C Bonds and Series 1990 A Bonds are hereinafter collectively called the "First Lien Bonds" and the Series 1986 B Bonds and Series 1990 B Bonds are hereinafter collectively called the "Second Lien Bonds."

The Series 1990 A Bonds shall be issued on parity with the Series 1986 A Bonds and Series 1986 C Bonds and senior and prior to the Series 1990 B Bonds and the Series 1986 B Bonds with respect to liens, pledges and sources of and security for payment and in all other respects. The Series 1990 B Bonds shall be issued on parity with the Series 1986 B Bonds, and junior and subordinate to the Series 1986 A Bonds and Series 1986 C Bonds and the Series 1990 A Bonds with respect to liens, pledges and sources of and security for payment and in all other respects. The Grant Anticipation Notes, if issued, will not be payable from the Net Revenues, but shall be payable from Grant Receipts, Surplus Revenues and proceeds of a letter of credit, if any, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes. The Bond Anticipation Notes, if issued, will be payable from the proceeds of the Bonds and Net Revenues, if necessary, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System 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 Public Convenience and Necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or any of the Notes or such final order will not be subject to appeal.

I. The Issuer has received the written consent of the Authority to issuance of the Original Bonds with lien positions with respect to the Prior Bonds as set forth in paragraph G of this Section 1.02.

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

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

"Act" means Chapter 16, Article 13A 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 Chairman of the Governing Body of the Issuer or any temporary Chairman 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," "Resolution," "Bond and Notes Resolution" or "Local Act" means this Bond and Notes Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

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

"Bond Year" means each one-year period (or shorter period from the date of issuance of the Bonds) that ends at the close of business on October 1.

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

"Series 1986 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 A, dated March 7, 1986, issued in the original aggregate principal amount of $3,290,658, of which $3,270,453 is currently Outstanding.

"Series 1986 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 B, dated March 7, 1986, issued in the original aggregate principal amount of $1,638,194, of which $1,551,973 is currently Outstanding.

"Series 1986 C Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 C, dated March 7, 1986, issued in the original aggregate principal amount of $800,000, of which $651,237.29 is currently Outstanding.

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

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

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

"Consulting Engineers" means The County Commission of Berkeley County, Martinsburg, West Virginia, which County Commission is providing consulting engineering services through William J. Teach, P.E., an employee thereof, 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 1.02D hereof to be a part of the cost of acquisition and construction of the Project.

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

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

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

"Grant" means the EPA Grant.

"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 such 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 any grant anticipation 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.

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

"Indenture" or "Trust Indenture" means the Trust Indenture which may, at the Issuer's option, be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"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.

"Issuer" means Berkeley County Public Service Sewer District, in Berkeley County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"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 and directed or ratified by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 1990 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series A Bonds

Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1990 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Original Bonds and is not acquired in order to carry out the governmental purpose of the Original Bonds.

"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" means collectively, the not more than $1,500,000 in aggregate principal amount of sewerage system bond anticipation notes, grant anticipation notes or notes evidencing a line of credit originally authorized hereby which may be issued by the Issuer, the terms of which shall be set forth in a Supplemental Resolution, and unless the context clearly indicates otherwise, the terms "Notes" includes any refunding Notes of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which may be established by the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by 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 Depository Bank, Registrar, Paying Agent and the Trustee (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not

include payments on account of the principal of or redemption premium, if any, or interest on the Bonds 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.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $1,000,000 in aggregate principal amount of Series 1990 A Bonds and the not more than $300,000 in aggregate principal amount of Series 1990 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Original Notes Purchaser" means, in the event Notes are issued, the original purchaser of such Notes, as shall be named in the Supplemental Resolution, and, in the event a note or notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" means any other grant 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 authenticated and delivered or all Notes theretofore and thereupon being authenticated and delivered except (i) any Bond or Note cancelled by the Bond Registrar or Registrar for Prior Bonds, or Notes Registrar, at or prior to said date; (ii) any Bond or Note or Prior Bonds, for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder 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 as provided in the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, or holders of Prior Bonds or any Bonds or Notes or Prior Bonds registered to the Issuer.

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

"Paying Agent" means the bank or banks or other entity designated as such for the Bonds and/or the Notes in the Indenture or

in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Prior Bonds" means, collectively the three Series of Sewer Revenue Bonds of the Issuer, all dated March 7, 1986, issued in the original aggregate principal amount of $5,728,852, of which $5,473,661.89 remains outstanding as of the date of adoption of this Resolution.

"Prior Resolution" means, collectively the resolutions of the Issuer adopted March 6, 1986, authorizing the Prior Bonds.

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

"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 additions, betterments and improvements for the existing sewerage system of the Issuer, consisting generally of collection lines, pumping stations, standby generators, force mains and laterals to serve the Highway 9 and Grapevine Road areas of Berkeley County, West Virginia, together with all appurtenant facilities.

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registered Owner," "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.

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

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

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

"Series 1990 A Bonds" or "Series A Bonds" means the not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 A, of the Issuer.

"Series 1990 A Bonds Reserve Account" means the Series 1990 A Bonds Reserve Account established in the Series 1990 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1990 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 1990 A Bonds in the then current or any succeeding year.

"Series 1990 A Bonds Sinking Fund" means the Series 1990 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1990 B Bonds" or "Series B Bonds" means the not more than $300,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 B, of the Issuer.

"Series 1990 B Bonds Reserve Account" means the Series 1990 B Bonds Reserve Account established in the Series 1990 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1990 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1990 B Bonds in the then current or any succeeding year.

"Series 1990 B Bonds Sinking Fund" means the Series 1990 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 Resolution 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 Resolution 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, the Prior Bonds or any other obligations of the Issuer, including the Depreciation Fund, the Renewal and Replacement Fund and the Reserve Accounts, 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, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, 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 ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of $2,286,294, in accordance with the plans and specifications which have been prepared by Howard Needles Tammen & Bergendoff, Charleston, West Virginia, and amendments 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 the Indenture, if any, 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 purposes of capitalizing interest on the Series 1990 A Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Original Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $1,300,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1990 A," in the aggregate principal amount of not more than $1,000,000, and "Sewer Revenue Bonds, Series 1990 B," in the aggregate principal amount of not more than $300,000, 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 Grant Anticipation Notes, if any. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to 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 the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule 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 and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated 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 Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State

of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified

as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Reserve Accounts. 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; Lien Positions with Respect to Prior Bonds. The payment of the debt service of all the Series 1990 A Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, senior and prior to the lien on Net Revenues in favor of the Holders of the Series 1986 B Bonds and Series 1990 B Bonds, and on parity with the lien on Net Revenues in favor of the Holders of the Series 1986 A Bonds and Series 1986 C Bonds. The payment of the debt service of all the Series 1990 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, on parity with the lien on such Net Revenues in favor of the Holders of the Series 1986 B Bonds but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1986 A Bonds, Series 1986 C Bonds and Series 1990 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 Funds, the Reserve Accounts therein, and the Renewal and Replacement Fund, either existing or 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 Bonds 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 1990 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BOND,
SERIES 1990 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), in 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 on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 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 (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 19_____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; (iii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on _____, 19__ and a Supplemental Resolution duly adopted by the Issuer on _____, 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 ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 A, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1986 A BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1986 C, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1986 C BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 B, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1986 B BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1990 B, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE

PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Net Revenues in favor of the holders of the Series 1986 A Bonds and Series 1986 C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1990 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1990 B 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 hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1990 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1990 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1990 B Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds or the Series 1990 B Bonds, including the Series 1986 A Bonds and Series 1986 C Bonds, provided however, that so long as there exists in the Series 1990 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1990 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1990 B Bonds, including the Series 1986 A Bonds and Series 1986 C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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, BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 19____.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1990 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as 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 1990 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BOND,
SERIES 1990 B

No. BR-__ $_____

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), in annual installments on October 1 of each year 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 (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 19_____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"),

and a Resolution duly adopted by the Issuer on _____, 19__ and a Supplemental Resolution duly adopted by the Issuer on _____, 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 of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1990 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 A BONDS");

(ii) SEWER REVENUE BONDS, SERIES 1986 A, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1986 A BONDS"); AND

(iii) SEWER REVENUE BONDS, SERIES 1986 C, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1986 C BONDS").

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 B, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1986 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1986 A Bonds, the Series 1986 C Bonds and the Series 1990 A Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1990 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1990 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, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, the Series 1986 A Bonds, the Series 1986 C Bonds, the Series 1990 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Series 1986 B Bonds, provided however, that so long as there exists in the Series 1990 B Bonds Reserve Account and the reserve account established for the Series 1990 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Series 1990 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Series 1986 A Bonds, Series 1986 B Bonds, Series 1986 C Bonds and Series 1990 A Bonds, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of the Bonds, which lien is subordinate to the lien in favor of the registered owner of the Series 1990 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 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, BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 19_____.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1990 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as 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; Approval and Ratification of 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. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved ratified and confirmed.

Section 3.11. "Amended Schedule A" Filing; Tender of Series 1990 B Bonds. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor. In the event such schedule reflects an excess of funding for the Project, or if the Authority is otherwise advised of an excess, the Authority may tender the Series 1990 B Bonds to the Issuer for payment in an amount equal to such excess. Notwithstanding the foregoing, if the Issuer has Notes outstanding upon completion of acquisition and construction of the Project, it will advise the Authority of such fact and submit a second schedule to the Authority upon payment of such Notes, and the Authority will not tender its Series 1990 B Bonds for payment until the outstanding Notes have been paid.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts or issuance of the Bonds, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed $1,500,000. The Notes may be in the form of bond anticipation notes, grant anticipation notes and/or as evidence of a line of credit from a commercial bank or other lender, or any combination of the foregoing, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. 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/or supplemental resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued in fully registered form, in the denominations, with such terms and secured in the manner set forth in the Indenture, if applicable (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a supplemental resolution), or supplemental resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Bonds or the Net Revenues (if issued in the form of bond anticipation notes) or the Grant Receipts, the Surplus Revenues, the letter of credit proceeds and other sources described in the Indenture or supplemental resolution (if issued in the form of grant anticipation notes or a line of credit). 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, if any, 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 and the Supplemental Resolution.

Section 4.04. Letters of Credit. As additional security for any 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 $500,000 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 or letters of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Operation and Maintenance Fund (established by the Prior Resolution);

(3) Renewal and Replacement Fund (established by the Prior Resolution);

(4) Bond Construction Trust Fund; and

(5) Rebate Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Resolution) with the Commission:

(1) The Sinking Funds established for the Prior Bonds, including the reserve accounts, if any, established therein (established by the Prior Resolution and therein called the "Series 1986 A Bonds Sinking Fund," the "Series 1986 B Bonds Sinking Fund," the "Series 1986 C Bonds Sinking Fund," respectively, and herein collectively called the "Prior Bonds Sinking Fund").

(2) Series 1990 A Bonds Sinking Fund;

(a) Within the Series 1990 A Bonds Sinking Fund, the Series 1990 A Bonds Reserve Account.

(3) Series 1990 B Bonds Sinking Fund;

(a) Within the Series 1990 B Bonds Sinking Fund, the Series 1990 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 to the Operation and Maintenance Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) The Issuer shall next on the first day of each month, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Resolution to be deposited in the Prior Bonds Sinking Fund for payment of the principal of and interest on the 1986 A Bonds and 1986 C Bonds and commencing 7 months prior to the first date of payment of interest on the Series 1990 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1990 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1990 A Bonds on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1990 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, and (ii) on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1990 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1990 A Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1990 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Resolution to be deposited in the reserve account established therein for the 1986 A Bonds and on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1990 A Bonds, if not fully funded upon issuance of the Series 1990 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1990 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1990 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 1990 A Bonds Reserve Requirement.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the reserves established with respect to the Prior Bonds the Series 1990 A Bonds Reserve Account or the Series 1990 B Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Resolution to be deposited in the Prior Bonds Sinking Fund for payment of principal of and interest on the 1986 B Bonds, and commencing 13 months prior to the first date of payment of principal on the Series 1990 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1990 B Bonds on the next

ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1990 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Commission the amounts required by the Prior Resolution to be deposited in the reserve account established therein for the 1986 B Bonds, and commencing 13 months prior to the first date of payment of principal of the Series 1990 B Bonds, if not fully funded upon issuance of the Series 1990 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1990 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1990 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 1990 B Bonds Reserve Requirement.

Moneys in the Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose except for permitted transfers to the Rebate Fund.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the several Sinking Funds and Reserve Accounts shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if

any, due on the respective series of Bonds, and then to the next ensuing principal payments due thereon.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 1990 A Bonds Reserve Account which result in a reduction in the balance of the Series 1990 A Bonds Reserve Account to below the Series 1990 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full, first, to the Prior Bonds Sinking Fund for payment of debt service on the Prior Bonds and next, to the Series 1990 A Bonds Sinking Fund for payment of debt service on the Series 1990 A Bonds.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 1990 B Bonds Reserve Account which result in a reduction in the balance of the Series 1990 B Bonds Reserve Account to below the Series 1990 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Prior Bonds Sinking Fund, the Series 1990 A Bonds Sinking Fund, the Series 1990 A Bonds Reserve Account, the Depreciation Fund, the Renewal and Replacement Fund and the Series 1990 B Bonds Sinking Fund have been made in full.

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

The Issuer shall not be required to make any further payments into the Series 1990 A Bonds Sinking Fund, or the Series 1990 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made pro-rata, with respect to the Series 1986 A, Series 1986 C and Series 1990 Bonds in accordance with the respective principal amounts then Outstanding, and thereafter shall be made pro-rata, with respect to the Series 1986 B and Series 1990 B Bonds in accordance with the respective principal amounts then Outstanding.

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.

Except with respect to transfers to the Rebate Fund, 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 respective 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, the Sinking Fund established for the Prior Bonds and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay 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, the Renewal and Replacement Fund and the Rebate 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; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. All remittances made by the Issuer to the 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.

H. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System, provided that, in the event Notes are issued, Tap Fees may, with the written consent of the Authority be deposited otherwise.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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

A. From the proceeds of the Series 1990 A Bonds, there shall first be deposited with the Commission in the Series 1990 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1990 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1990 A Bonds, there shall be deposited with the Commission in the Series 1990 A Bonds Reserve Account and from the proceeds of the Series 1990 B Bonds, there shall be deposited with the Commission in the Series 1990 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. Next, from the proceeds of the Series 1990 A Bonds, there shall first be credited to the Bond Construction Trust Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Except with respect to any transfers to the Rebate Fund, moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1990 A Bonds, and thereafter for the Series 1990 B Bonds. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund

may be modified from that set forth herein, with the written consent of the Authority.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

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

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1990 A Bonds Reserve Account, and when fully funded to the Series 1990 B

Bonds Reserve Account, and when both Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective series of Bonds and thereafter to the next ensuing principal payments due thereon. Notwithstanding the foregoing, if the Authority tenders any of its Series 1990 B Bonds to the Issuer pursuant to the provisions of the Supplemental Loan Agreement, such moneys shall be applied to the purchase of such Series 1990 B 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, and to the extent they do not materially adversely affect Bondholders, 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 7.09 shall not be applied to the Grant Anticipation 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; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 1990 A Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, on parity with the lien on said Net Revenues in favor of the Holders of the Series 1986 A Bonds and Series 1986 C Bonds, and senior and prior to the lien on said Net Revenues in favor of the Holders of the Series 1986 B Bonds and the Series 1990 B Bonds. Payment of the debt service of the Series 1990 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, on parity with the lien on said Net

Revenues in favor of the Holders of the Series 1986 B Bonds and junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1986 A Bonds, Series 1986 C Bonds and the Series 1990 A Bonds. The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, 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. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Order of the Public Service Commission of West Virginia entered September 15, 1989, (Case No. 88-579-S-CN), and such rates are hereby adopted.

Section 7.05. Sale of the System. Except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and Notes, if any, Outstanding, or to effectively defease this Bond Legislation in accordance with Section 10.01 hereof and, if entered into and 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 Funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds. 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 the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Indenture, prior thereto.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to

be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking 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 or otherwise. 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 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. Except as provided in this Section 7.06 and in Section 7.07B, 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 or supplemental resolution 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 1990 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 the Series 1990 A Bonds and the Series 1990 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.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1990 B Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the Series 1990 A Bonds, unless the Series 1990 B Bonds are no longer outstanding.

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 Secretary a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the

System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Prior Bonds and any other obligations with a lien on the Net Revenues prior to that of the Bonds;

(2) The Bonds then Outstanding;

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

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

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

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

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. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

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 the Series 1990 A Bonds and the Series 1990 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 the Series 1990 A Bonds or the Series 1990 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, or any provision of Section 7.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the 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 submit said report to the Trustee and the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the Authority shall include a

statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation.

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

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 finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and

recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the 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 and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The

Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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:

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

Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $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.

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

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

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

Section 7.15. 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.

Section 7.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying

arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

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

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

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

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Original Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Bonds and shall be for the equal benefit of all Holders of each respective Series of Bonds, provided however, that the statutory mortgage lien in favor of the Holders of the Series 1990 A Bonds shall be on parity with the

statutory mortgage lien in favor of the Holders of the Series 1986 A Bonds and Series 1986 C Bonds and senior and prior to the statutory mortgage lien in favor of the Holders of the Series 1986 B Bonds and Series 1990 B Bonds.

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, if any, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, and the Indenture, if any, the need for such moneys for the purposes set forth herein and in the Indenture, if any, and the specific restrictions and provisions set forth in this Section 8.01 and in the Indenture.

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

The Trustee, if any, and the Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the

Code and assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Original Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Original Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder or under the Indenture, if any, and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at

the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Original Bonds from gross income for federal income tax purposes.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception therefrom, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Original Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority.

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:

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

(2) 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

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

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

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a 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, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1990 B Bonds and the Series 1986 B Bonds shall be subject to those of the Holders of the Series 1990 A Bonds, the Series 1986 A Bonds and the Series 1986 C Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond, a Bond Anticipation Note or a line of credit evidenced by a Bond Anticipation Note 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, Bond Anticipation Notes or a line of credit evidenced by a Bond Anticipation Note any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might 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 1990 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 1990 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 1990 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 1990 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Original Bonds from gross income for federal income tax purposes.

Series 1990 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 either at maturity or at the next redemption date, the principal installments of and interest on such Series 1990 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 1990 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 1990 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1990 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior

to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1990 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 1990 B Bonds, the principal 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 1990 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 1990 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Original Bonds from gross income for federal income tax purposes.

Series 1990 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 either at maturity or at the next redemption date the principal installments of such Series 1990 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 1990 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 said Series 1990 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of said Series 1990 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 said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such

reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of any series of 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 such Notes only, this Bond Legislation, the Indenture, if any, 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, except as may otherwise be necessary to assure the exclusion of interest on the Notes from gross income for federal income tax purposes.

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, the Series 1990 A Bonds or the Series 1990 B 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. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder or Noteholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Original Bonds and the Notes from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the 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 Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, the Indenture, if any, the Bonds or the Notes, if any.

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

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

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

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Berkeley County Public Service Sewer District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The respective maximum amounts of the Bonds and Notes to be issued;

(b) The respective maximum interest rates and terms of the Bonds and the Notes originally authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a Certificate of Convenience and Necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08 Consent to Issuance of Series 1990 A Bonds on Parity with Series 1986 A and Series 1986 C Bonds. The Issuer has

received the written consent of the holders of the Series 1986 A and Series 1986 C Bonds for issuance of the Series 1990 A Bonds on a parity therewith.

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

Adopted this 30th day of April, 1990.

Chairman, Public Service Board

Member, Public Service Board

Member, Public Service Board

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT on the 30th day of April, 1990.

Dated: May 3, 1990

[SEAL]

Secretary, Public Service Board

05/01/90
BCPSSDJ.A3
06774/89001

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1990 A AND SERIES 1990 B OF BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT; 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 Public Service Board (the "Governing Body") of Berkeley County Public Service Sewer District (the "Issuer"), has duly and officially adopted a bond and notes resolution, effective April 30, 1990 (the "Bond and Notes Resolution" or the "Resolution") entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN $300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, AND NOT MORE THAN $1,500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; 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; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT AND

SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; 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 Resolution provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed $1,300,000, to be issued in two series, the Series 1990 A Bonds to be in an aggregate principal amount of not more than $1,000,000 (the "Series 1990 A Bonds") and the Series 1990 B Bonds to be in an aggregate principal amount of not more than $300,000 (the "Series 1990 B Bonds"), and has preliminarily authorized the execution and delivery of a loan agreement relating to the Series 1990 A Bonds dated May 3, 1990, and a supplemental loan agreement relating to the Series 1990 B Bonds, also dated May 3, 1990 (sometimes collectively referred to herein as the "Loan Agreement"), both by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond and Notes Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, 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 Loan Agreement has been presented to the Issuer at this meeting;

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amounts, 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 BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT:

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

(A) The Sewer Revenue Bonds, Series 1990 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $828,629. The Series 1990 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2029, shall bear interest at the rate of 7.85% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1990, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1990 A 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 to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1990 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $38,669. The Series 1990 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2029, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1990 B 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 to the Supplemental Loan Agreement 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 forms provided in the Bond and Notes Resolution.

Section 3. The Issuer does hereby authorize, approve and accept the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Chairman of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, directed and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and One Valley Bank, National Association, in substantially the form attached hereto, and the execution and delivery by the Chairman 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 and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 6. The Issuer does hereby appoint One Valley Bank of Martinsburg, N.A., Martinsburg, West Virginia, as Depository Bank under the Bond and Notes Resolution.

Section 7. Series 1990 A Bonds proceeds in the amount of $65,047 shall be deposited in the Series 1990 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 1990 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1990 A Bonds Reserve Account and Series 1990 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 1990 B Bonds Reserve Account.

Section 9. The remaining proceeds of the Bonds shall be deposited in the Bond Construction Trust Fund for payment of Costs of the Project, including repayment of any temporary bank loans or Authority advances made or incurred with respect to the Project and payment of costs of issuance of the Bonds.

Section 10. The Issuer hereby determines to pay, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, including, but not limited to, all borrowings from West Virginia Water Development Authority.

Section 11. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond and Notes Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about May 3, 1990.

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

Section 13. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond and Notes Resolution held by the Depository Bank in time accounts secured by a pledge of Government Obligations with the Depository Bank, and therefore the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such time accounts, until further directed by the Issuer. Moneys in the Sinking Funds for the Bonds shall be invested by the Municipal Bond Commission in the West Virginia restricted consolidated fund.

Section 14. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 15. The Issuer elects to have Section 148(f)(4)(B)(iv)(V) of the Code apply to the Bonds and agrees to pay the penalty prescribed under such Section 148(f)(4)(B)(iv)(V) of the Code, in lieu of rebate.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 30th day of April, 1990.

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT on the 30th day of April, 1990.

Dated: May 3, 1990.

[SEAL]

Secretary, Public Service Board

05/01/90
BCPSSDJ.D2
06774/89001

WDA-5
(February 1990)

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").

Berkeley County Public Service Sewer District
(Name of 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, is constructing or has constructed 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; and

1.7 "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.

1.8 "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 or being or having been constructed by the Governmental Agency in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

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, being or having been 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, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers.

and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds is outstanding, business interruption insurance if available at a reasonable cost.

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 any and 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.

opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(g) The Governmental Agency shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), 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 but must be satisfactory to the Authority, to such effect;

(h) 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

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

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 gross or net 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 a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account 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 the then current or any succeeding 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, except as otherwise required by State law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to 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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency 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;

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

(xvii) That the Governmental Agency shall take any and all action, or shall refrain from taking any action, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for Federal income tax purposes of interest on the Authority's water development revenue bonds.

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 B.

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.

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

6.6 Notwithstanding Section 6.5, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

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

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

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency 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 Schedule X shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

authorized officers as of the date executed below by the Authority.

Berkeley County Public Service Sewer District
[Proper Name of Governmental Agency]

(SEAL)

By _____
Its Chairman

Attest:

Date: May 3, 1990

_____
Its Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By _____
Director

Attest:

Date: May 3, 1990

_____
Secretary-Treasurer

WDA-5X
(March 1988)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $ 828,629.00

Purchase Price of Local Bonds $ 828,629.00

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 7.85 % 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:

BERKELEY COUNTY PSSD
Debt Service Schedule
Analysis of Borrowing from Series 1989 B Pool
39 Principal Payments
Closing Date: 03-May-90

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds
01-Oct-90			26,741.70	26,741.70
01-Oct-91	7.85%	3,601.00	65,047.38	68,648.38
01-Oct-92	7.85%	3,886.00	64,764.70	68,650.70
01-Oct-93	7.85%	4,191.00	64,459.65	68,650.65
01-Oct-94	7.85%	4,520.00	64,130.65	68,650.65
01-Oct-95	7.85%	4,875.00	63,775.83	68,650.83
01-Oct-96	7.85%	5,257.00	63,393.15	68,650.15
01-Oct-97	7.85%	5,670.00	62,980.47	68,650.47
01-Oct-98	7.85%	6,115.00	62,535.38	68,650.38
01-Oct-99	7.85%	6,595.00	62,055.35	68,650.35
01-Oct-2000	7.85%	7,113.00	61,537.64	68,650.64
01-Oct-2001	7.85%	7,671.00	60,979.27	68,650.27
01-Oct-2002	7.85%	8,273.00	60,377.10	68,650.10
01-Oct-2003	7.85%	8,923.00	59,727.67	68,650.67
01-Oct-2004	7.85%	9,623.00	59,027.21	68,650.21
01-Oct-2005	7.85%	10,379.00	58,271.81	68,650.81
01-Oct-2006	7.85%	11,193.00	57,457.05	68,650.05
01-Oct-2007	7.85%	12,072.00	56,578.40	68,650.40
01-Oct-2008	7.85%	13,020.00	55,630.75	68,650.75
01-Oct-2009	7.85%	14,042.00	54,608.68	68,650.68
01-Oct-2010	7.85%	15,144.00	53,506.38	68,650.39
01-Oct-2011	7.85%	16,333.00	52,317.58	68,650.58
01-Oct-2012	7.85%	17,615.00	51,035.44	68,650.44
01-Oct-2013	7.85%	18,998.00	49,652.66	68,650.66
01-Oct-2014	7.85%	20,489.00	48,161.32	68,650.32
01-Oct-2015	7.85%	22,097.00	46,552.93	68,649.93
01-Oct-2016	7.85%	23,832.00	44,818.32	68,650.32
01-Oct-2017	7.85%	25,703.00	42,947.51	68,650.51
01-Oct-2018	7.85%	27,720.00	40,929.82	68,649.82
01-Oct-2019	7.85%	29,897.00	38,753.80	68,650.80
01-Oct-2020	7.85%	32,243.00	36,406.89	68,649.89
01-Oct-2021	7.85%	34,775.00	33,875.81	68,650.81
01-Oct-2022	7.85%	37,504.00	31,145.97	68,649.97
01-Oct-2023	7.85%	40,448.00	28,201.91	68,649.91
01-Oct-2024	7.85%	43,624.00	25,026.74	68,650.74
01-Oct-2025	7.85%	47,048.00	21,602.26	68,650.26
01-Oct-2026	7.85%	50,741.00	17,908.99	68,649.99
01-Oct-2027	7.85%	54,725.00	13,925.82	68,650.82
01-Oct-2028	7.85%	59,020.00	9,629.91	68,649.91
01-Oct-2029	7.85%	63,654.00	4,996.84	68,650.84
		828,629.00	1,875,476.74	2,704,105.74

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 (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit) in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than 10 years) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

(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 13A, of the Code of West Virginia, 1931, as amended.

3. "System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Governmental Agency, and any improvements or extensions 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 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

(d) The Governmental Agency does not expect to sell or otherwise dispose of the Project, in whole or in part, prior to the last maturity date of the Local Bonds.

WDA-Supp. 5
(March 1988)

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").

Berkeley County Public Service Sewer District
(Name of 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, is constructing or has constructed 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;

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.

1.5 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds pursuant to 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, being or having been 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, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or other security interest as is provided for in the Local Statute.

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

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 any and 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

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 but must be satisfactory to the Authority, to such effect;

(h) 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

(i) 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 the Consulting Engineers, or such other person or firm experienced in the financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority 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,

(i) That the Supplemental Bonds shall be secured by the gross or net 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 a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or 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 bond proceeds, 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 the then current or any succeeding year (the "Reserve Requirement") or on the Supplemental Bonds in the then current or any succeeding 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, except as otherwise required by State law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to 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

(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 any proceeds deposited in the Reserve Account or the Supplemental Reserve Account, must be deposited in a construction fund on which the owners 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, but shall otherwise be kept separate and apart from all other funds of the Governmental Agency; 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.

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 nugatory 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

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, notwithstanding the date hereof, 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.

WDA-Supp. 5X
(March 1988)

SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	$ 38,669.00
Purchase Price of Supplemental Bonds	$ 38,669.00

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. The Supplemental Bonds bear no interest.

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

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, in addition to the Local Bonds:

BERKELEY COUNTY PSSD
Debt Service Schedule
Analysis of Borrowing from Series 1989 B Pool
39 Principal Payments
Closing Date: 03-May-90

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	991.62
01-Oct-92	991.51
01-Oct-93	991.51
01-Oct-94	991.51
01-Oct-95	991.51
01-Oct-96	991.51
01-Oct-97	991.51
01-Oct-98	991.51
01-Oct-99	991.51
01-Oct-2000	991.51
01-Oct-2001	991.51
01-Oct-2002	991.51
01-Oct-2003	991.51
01-Oct-2004	991.51
01-Oct-2005	991.51
01-Oct-2006	991.51
01-Oct-2007	991.51
01-Oct-2008	991.51
01-Oct-2009	991.51
01-Oct-2010	991.51
01-Oct-2011	991.51
01-Oct-2012	991.51
01-Oct-2013	991.51
01-Oct-2014	991.51
01-Oct-2015	991.51
01-Oct-2016	991.51
01-Oct-2017	991.51
01-Oct-2018	991.51
01-Oct-2019	991.51
01-Oct-2020	991.51
01-Oct-2021	991.51
01-Oct-2022	991.51
01-Oct-2023	991.51
01-Oct-2024	991.51
01-Oct-2025	991.51
01-Oct-2026	991.51
01-Oct-2027	991.51
01-Oct-2028	991.51
01-Oct-2029	991.51
	38,669.00

WDA-Supp. 5Y-PSD Sewer
(March 1988)

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 (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit) in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than 10 years) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) 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

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 13A, of the Code of West Virginia, 1931, as amended.

3. "System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Governmental Agency, and any improvements or extensions 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

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 8th day of September, 1989.

CASE NO. 88-579-S-CN

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT,
a public utility, Berkeley County.
Application for a certificate of convenience and necessity to construct, operate and maintain certain public service properties, constituting sewerage facilities in the Highway 9 and Grapevine Road area of Berkeley County, Arden District.

COMMISSION FINAL ORDER

On September 1, 1988, Berkeley County Public Service Sewer District (District) filed an application for a certificate of convenience and necessity for the construction of a sewer collection system, pumping stations and force mains; for the elimination of two existing privately owned sewer treatment facilities, at West Virginia Route 9 and Grapevine Road (hereinafter, collectively known as Highway 9 South) in Berkeley County; and for approval of proposed financing. By letter dated September 2, 1988, from the Executive Secretary of the Public Service Commission, to the Executive Director of the District, the District was informed that since it had not made a preliminary filing pursuant to West Virginia Code §16-13A-25, the Commission would treat the filing of September 1, 1988, as a prefiling, rather than a certificate application. This prefiling was designated as Case No. 88-579-S-PF.

On October 7, 1988, the District made an additional filing of information for a certificate application for the construction, operation and maintenance of a sewer transmission main and two pumping stations in the Highway 9 area of Berkeley County, and also for approval of the borrowing of funds to accomplish the project. This prefiling was designated as Case No. 88-653-S-PF.

On October 18, 1988, the City of Martinsburg (City) filed a petition to intervene in Case No. 88-653-S-PF. In its petition, the City indicated its belief that the District's recent prefiling related to the service areas addressed in a Commission order entered on April 19, 1988, in Case Nos. 87-746-S-PC and 87-748-S-GI, wherein the City was ordered to enter into a service agreement with the District, pursuant to which the City would treat the District's sewage from certain areas of Berkeley County.

that the request be denied. Staff asserted that the District had substantially complied with the sixty (60) day prefiling publication period requirements pursuant to West Virginia Code §16-13A-25. Therefore, Staff recommended that the District be required to publish notice pursuant to West Virginia Code §24-2-11, so that only a thirty (30) day protest period after publication was necessary.

Thereafter, on March 14, 1989, the District refiled its prefiling, though no ALJ decision has been rendered concerning the District's earlier request to withdraw its certificate application. Therein, the District provided notice to the residents of that District that it intended to construct, operate and maintain sewerage facilities in the Highway 9 South area, consisting of collection mains, force mains, a sewer transmission main, and seven pumping stations in the District. The proposed project was expected to serve approximately four hundred fifty (450) customers when completed, and was estimated to cost 4 million dollars ($4,000,000). Further, the District contemplated financing the project through Sewer Revenue Bonds, fees charged to customers of the project, grants from the United States Environmental Protection Agency, revenues generated from the project prior to its completion, and interim borrowing of sums not to exceed a total of five hundred thousand dollars ($500,000).

The District provided notice to customers that rates for sewer service would not exceed seven dollars ($7.00) per 1,000 gallons used. However, the rates included in the District's financial data were lower than the published maximum.

Also on March 14, 1989, the District submitted a grant amendment request in accordance with prior correspondence from Michael Johnson at the Department of Natural Resources (DNR). In the amendment, the estimated costs for the Highway 9 South System (including Grapevine Road), and the Pikeview Interceptor System were a total of two million one hundred fifty-nine thousand one hundred fifty-five dollars ($2,159,155). The District also submitted an estimate of 1.8 million dollars for the Wheatland System, in the event that it was to be constructed by the District.

On March 22, 1989, a Joint Staff Memorandum was submitted wherein Staff asserted that the District had decided to refile and republish its certificate application under the current Case No. 88-579-S-CN, rather than to have the application withdrawn. Thus, Staff asserted that no ruling was necessary concerning the District's March 8, 1989, request to withdraw its current certificate case.

On March 27, 1989, the District submitted an affidavit of publication in Case No. 88-579-S-CN, which certified that the prefiling notice was given on March 14 and March 21, 1989.

On May 15, 1989, the District filed an application for a certificate of convenience and necessity to construct, operate and maintain a sewerage system consisting of 10,500 linear feet of gravity main, 6 main line lift stations, and 10,400 linear feet of force main in the Highway 9 South areas of Berkeley County. The Commission considered the application to have been officially filed on May 22,

interutility agreement. Staff proposed rates of five dollars and eighty cents ($5.80) per 1,000 gallons per month (GPM) for the first 5,000 gallons used per month, five dollars and thirty cents ($5.30) per 1,000 gallons for the next 5,000 GPM, and four dollars and fifty-five cents ($4.55) per 1,000 gallons for all usage over 10,000 GPM.

By letter on August 25, 1989, the District concurred with the content of the Staff recommendations of August 23, 1989.

DISCUSSION

The Commission is persuaded that the District's May 22, 1989, application for a certificate of convenience and necessity in order to construct, operate and maintain sewerage facilities consisting of 10,500 linear feet of gravity main, 6 main line lift stations, and 10,400 linear feet of force main in the Highway 9 South and Grapevine Road areas of Berkeley County, is reasonable, is in the public interest, and should thus be approved. Furthermore, proper notice of this application has been given pursuant to West Virginia Code §§16-13A-25 and 24-2-11. As of the date of this order, no public protest to this project has been received. Initially the District will serve two hundred twenty-nine (229) customers, including the new Regional Jail, and one hundred fifty (150) individually metered units in two mobile home parks. The District will acquire, at no cost, the existing collector systems serving the mobile home parks. The Staff's estimated project cost of two million four hundred sixty-two thousand eight hundred forty dollars ($2,462,840), is to be funded as follows:

EPA Grant.....	$1,230,542
Tap Fees.....	15,000
County Commission Grant	350,000
WDA Loan.....	867,298
	$2,462,840

Based upon the recommendation of Staff and the information contained in this case file, the Commission finds that the project is consistent with the public need in that locale, the project is both economically and technologically feasible, and it can be supported by adequate rates and charges. Thus, the Commission will approve the application for a certificate.

FINDINGS OF FACT

1. The Berkeley County Public Service Sewer District's proposed project is adequately funded and can be supported by adequate rates and charges as recommended by Staff.

2. Commission Staff has recommended approval of the requested certificate of convenience and necessity without a hearing based upon its estimate of project costs and operating expenses.

3. The Commission has not received any public protest of the proposed project.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 15th day of September, 1989.

CASE NO. 88-579-S-CN

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT,
a public utility, Berkeley County.
Application for a certificate of convenience and necessity to construct, operate and maintain certain public service properties, constituting sewerage facilities in the Highway 9 and Grapevine Road area of Berkeley County, Arden District.

COMMISSION ORDER CLARIFYING THE COMMISSION ORDER OF SEPTEMBER 8, 1989 IN THE ABOVE STYLED CASE

WHEREAS in light of the September 14, 1989, motion for reconsideration submitted by the Berkeley County Public Service Sewer District (District), the Commission believes that its order of September 8, 1989, in the above styled case requires some clarification, and

WHEREAS the Commission would like to specifically address the approved interim financing, permanent financing, and rates and charges for the proposed Highway 9 South and Grapevine Road area sewerage facilities,

IN CONSIDERATION THEREOF, IT IS, THEREFORE ORDERED that the permanent financing, as contained in the Commission Staff's estimated project cost of two million four hundred sixty-two thousand eight hundred forty dollars ($2,462,840), and as concurred upon by the District, is hereby approved. Said project is to funded as follows:

Environmental Protection Agency Grant	$1,230,542
Tap Fees	15,000
County Commission Grant	350,000
Water Development Authority Loan	867,298
	$2,462,840

(August 23, 1989, Joint Staff Memorandum and Attachments; August 25, 1989 Letter Of Concurrence)

IT IS FURTHER ORDERED that the proposal by the District for interim financing in an amount not to exceed five hundred thousand

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: April 25, 1990

CASE NO. 90-180-PSD-PC

BERKELEY COUNTY PUBLIC SERVICE
SEWER DISTRICT
Request for approval of engineering
agreement.

FINAL ORDER

On March 18, 1990, Berkeley County Public Service Sewer District (District) filed a request with the Public Service Commission for approval of a proposed engineering agreement between the District and Berkeley County Engineering, for professional services related to the Highway 9 sewer project, which has already been certificated by the Public Service Commission of West Virginia. According to the cover letter accompanying the engineering agreement, an Environmental Protection Agency (EPA) grant, a Berkeley County Commission grant and West Virginia Water Development Authority (WDA) bond proceeds are to be used to fund the project.

On April 6, 1990, in response to a Commission Staff request for additional information, the District submitted further information on the proposed engineering agreement.

On April 18, 1990, the District filed a revised agreement and indicated that the prior contract filed on March 18, 1990, incorrectly identified Berkeley County Engineering as a party. According to the cover letter accompanying the April 18, 1990 filing, the Berkeley County Commission would be the proper party to this agreement with the District. The County has provided funds to its general revenue budget for a County engineer and that office has been upgraded to provide an assistant engineer and a support staff capable of handling a project of this magnitude.

On April 24, 1990, Staff Attorney Steven Hamula submitted the Joint Staff Memorandum in this proceeding. Attached to Mr. Hamula's Memorandum was an engineering contract evaluation prepared by Michael W. McNulty, Engineer-in-Training, Public Service District Division, which is incorporated in the Joint Staff Memorandum. According to the evaluation, the estimated engineering fee under the agreement is approximately $73,532 and will not exceed $75,000. Mr. McNulty pointed out that this fee represents 3.1% of the total project cost and will be financed through project financing. Mr. McNulty believes that these fees are reasonable for the scope of services being provided and that the engineering services are essential for the project's completion. Therefore, Commission Staff recommended immediate approval of the proposed engineering agreement between the District and the Berkeley County Commission.

Upon consideration of all of the above, the Administrative Law Judge is of the opinion that the proposed engineering agreement submitted by Berkeley County Public Service Sewer District is reasonable and should be approved, pursuant to the Commission's authority under West Virginia Code §16-13A-25.

FINDINGS OF FACT

1. The proposed engineering agreement submitted for Commission review and approval by Berkeley County Public Service Sewer District provides for certain engineering services in conjunction with a sewer project which has already been certificated by the Public Service Commission. (District filing of April 18, 1990).

2. Commission Staff has reviewed the proposed engineering contract and has recommended approval thereof, contingent upon total engineering fees not exceeding $75,000. (Joint Staff Memorandum and Attachment thereto filed April 24, 1990).

CONCLUSION OF LAW

It is reasonable to approve the proposed engineering contract between Berkeley County Public Service Sewer District and the Berkeley County Commission, since the fees are reasonable for the scope of services being provided and since Commission Staff has reviewed the contract and recommended approval thereof.

ORDER

IT IS, THEREFORE, ORDERED that the proposed engineering agreement between Berkeley County Public Service Sewer District and the Berkeley County Commission, originally filed on March 18, 1990 and amended by filing on April 18, 1990, be, and it hereby is, approved, pursuant to the Commission's authority under West Virginia Code §16-13A-25.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order upon all parties to this proceeding by United States First Class Mail.

This order is issued pursuant to General Order No. 212, dated December 16, 1982, which order designates the Division of Administrative Law Judges as the initial decision making body in the Public Service Commission and authorizes the Public Service Commission Administrative Law Judges 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.

Melissa K. Marland
Chief Administrative Law Judge

MKM:jas

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, BARBARA B. MEADOWS, Secretary-Treasurer of West Virginia Water Development Authority, for and on behalf of West Virginia Water Development Authority (the "Authority") and ROBERT G. CRISWELL, Chairman of Berkeley County Public Service Sewer District (the "Issuer"), hereby certify as follows:

1. On the 3rd day of May, 1990, the Authority received the entire original issue of $867,298 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B, of the Issuer (collectively, the "Bonds"), issued as a single, fully registered Bond of each Series, numbered AR-1 and BR-1, respectively, both dated May 3, 1990, the Series 1990 A Bond being in the principal amount of $828,629 and the Series 1990 B Bond being in the principal amount of $38,669.

2. At the time of such receipt of the Bonds upon original issuance, all of the Bonds had been executed by Robert G. Criswell, as Chairman of the Issuer, by his manual signature, and by Roger Goodwin, as Secretary of the Issuer, by his manual signature, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the proceeds of the Series 1990 A Bonds in the aggregate principal amount of $828,629 and proceeds of the Series 1990 B Bonds in the aggregate principal amount of $38,669 (100% of par value), there being no interest accrued on either series.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of WEST VIRGINIA WATER DEVELOPMENT AUTHORITY and BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this receipt to be duly executed and delivered by its Chairman, as of this 3rd day of May, 1990.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Barbara B Meadows
Secretary-Treasurer

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

By Robert G. Cusinell
Chairman

05/01/90
BCPSSDJ.E2
06774/89001

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

One Valley Bank, National Association,
as Bond Registrar
Charleston,
West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 1990 A, in the principal amount of $828,629 and Bond No. BR-1, constituting the entire original issue of the Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 1990 B, in the principal amount of $38,669, both dated May 3, 1990 (collectively, the "Bonds"), executed by the Chairman and Secretary of Berkeley County Public Service Sewer District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond and Notes Resolution and Supplemental Resolution duly adopted by the Issuer (collectively, the "Local Act");

(2) A copy of the Local Act authorizing the above Bond issue, duly certified by the Secretary of the Issuer;

(3) Executed counterparts of the loan agreement and the supplemental loan agreement, both dated May 3, 1990, and both by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"); and

(4) Signed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of $867,298, representing the agreed aggregate purchase price of the Bonds, there being no accrued interest thereon. Prior to such delivery of the Bonds, you will please cause the Bonds to be

authenticated by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated this 3rd day of May, 1990.

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

By _____
Its Chairman

05/01/90
BCPSSDJ.F2
06774/89001

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BOND,
SERIES 1990 A

No. AR-1 $828,629

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of EIGHT HUNDRED TWENTY-EIGHT THOUSAND SIX HUNDRED TWENTY-NINE DOLLARS ($828,629), 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 on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1990. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated May 3, 1990.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; (iii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on April 30, 1990 and a Supplemental Resolution duly adopted by the Issuer on April 30, 1990 (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 ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 A, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,290,658 (THE "SERIES 1986 A BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1986 C, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $800,000 (THE "SERIES 1986 C BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 B, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,638,194 (THE "SERIES 1986 B BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1990 B, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE

PRINCIPAL AMOUNT OF $38,669 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Net Revenues in favor of the holders of the Series 1986 A Bonds and Series 1986 C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1990 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1990 B 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 hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1990 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1990 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1990 B Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds or the Series 1990 B Bonds, including the Series 1986 A Bonds and Series 1986 C Bonds, provided however, that so long as there exists in the Series 1990 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1990 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1990 B Bonds, including the Series 1986 A Bonds and Series 1986 C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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, BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated May 3, 1990.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1990 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

BERKELEY COUNTY PSSD
Debt Service Schedule
Analysis of Borrowing from Series 1989 B Pool
39 Principal Payments
Closing Date: 03-May-90

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds
01-Oct-90			26,741.70	26,741.70
01-Oct-91	7.85%	3,601.00	65,047.38	68,648.38
01-Oct-92	7.85%	3,886.00	64,764.70	68,650.70
01-Oct-93	7.85%	4,191.00	64,459.65	68,650.65
01-Oct-94	7.85%	4,520.00	64,130.65	68,650.65
01-Oct-95	7.85%	4,875.00	63,775.83	68,650.83
01-Oct-96	7.85%	5,257.00	63,393.15	68,650.15
01-Oct-97	7.85%	5,670.00	62,980.47	68,650.47
01-Oct-98	7.85%	6,115.00	62,535.38	68,650.38
01-Oct-99	7.85%	6,595.00	62,055.35	68,650.35
01-Oct-2000	7.85%	7,113.00	61,537.64	68,650.64
01-Oct-2001	7.85%	7,671.00	60,979.27	68,650.27
01-Oct-2002	7.85%	8,273.00	60,377.10	68,650.10
01-Oct-2003	7.85%	8,923.00	59,727.67	68,650.67
01-Oct-2004	7.85%	9,623.00	59,027.21	68,650.21
01-Oct-2005	7.85%	10,379.00	58,271.81	68,650.81
01-Oct-2006	7.85%	11,193.00	57,457.05	68,650.05
01-Oct-2007	7.85%	12,072.00	56,578.40	68,650.40
01-Oct-2008	7.85%	13,020.00	55,630.75	68,650.75
01-Oct-2009	7.85%	14,042.00	54,608.68	68,650.68
01-Oct-2010	7.85%	15,144.00	53,506.38	68,650.39
01-Oct-2011	7.85%	16,333.00	52,317.58	68,650.58
01-Oct-2012	7.85%	17,615.00	51,035.44	68,650.44
01-Oct-2013	7.85%	18,998.00	49,652.66	68,650.66
01-Oct-2014	7.85%	20,489.00	48,161.32	68,650.32
01-Oct-2015	7.85%	22,097.00	46,552.93	68,649.93
01-Oct-2016	7.85%	23,832.00	44,818.32	68,650.32
01-Oct-2017	7.85%	25,703.00	42,947.51	68,650.51
01-Oct-2018	7.85%	27,720.00	40,929.82	68,649.82
01-Oct-2019	7.85%	29,897.00	38,753.80	68,650.80
01-Oct-2020	7.85%	32,243.00	36,406.89	68,649.89
01-Oct-2021	7.85%	34,775.00	33,875.81	68,650.81
01-Oct-2022	7.85%	37,504.00	31,145.97	68,649.97
01-Oct-2023	7.85%	40,448.00	28,201.91	68,649.91
01-Oct-2024	7.85%	43,624.00	25,026.74	68,650.74
01-Oct-2025	7.85%	47,048.00	21,602.26	68,650.26
01-Oct-2026	7.85%	50,741.00	17,908.99	68,649.99
01-Oct-2027	7.85%	54,725.00	13,925.82	68,650.82
01-Oct-2028	7.85%	59,020.00	9,629.91	68,649.91
01-Oct-2029	7.85%	63,654.00	4,996.84	68,650.84
		828,629.00	1,875,476.74	2,704,105.74

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:

_____

05/01/90
BCPSSDJ.X1
06774/89001

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BOND,
SERIES 1990 B

No. BR-1 $38,669

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public corporation and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THIRTY-EIGHT THOUSAND SIX HUNDRED SIXTY-NINE DOLLARS ($38,669), in annual 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, 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 (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated May 3, 1990.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on April 30, 1990 and a Supplemental Resolution duly adopted by the Issuer on April 30, 1990

(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 of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1990 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $828,629 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 A BONDS");

(ii) SEWER REVENUE BONDS, SERIES 1986 A, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,290,658 (THE "SERIES 1986 A BONDS"); AND

(iii) SEWER REVENUE BONDS, SERIES 1986 C, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $800,000 (THE "SERIES 1986 C BONDS").

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT WITH CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWER REVENUE BONDS, SERIES 1986 B, DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,638,194 (THE "SERIES 1986 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1986 A Bonds, the Series 1986 C Bonds and the Series 1990 A Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1990 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1990 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, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, the Series 1986 A Bonds, the Series 1986 C Bonds, the Series 1990 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Series 1986 B Bonds, provided however, that so long as there exists in the Series 1990 B Bonds Reserve Account and the reserve account established for the Series 1990 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Series 1990 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Series 1986 A Bonds, Series 1986 B Bonds, Series 1986 C Bonds and Series 1990 A Bonds, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and

there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of the Bonds, which lien is subordinate to the lien in favor of the registered owner of the Series 1990 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 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, BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated May 3, 1990.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1990 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

BERKELEY COUNTY PSSD
Debt Service Schedule
Analysis of Borrowing from Series 1989 B Pool
39 Principal Payments
Closing Date: 03-May-90

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	991.62
01-Oct-92	991.51
01-Oct-93	991.51
01-Oct-94	991.51
01-Oct-95	991.51
01-Oct-96	991.51
01-Oct-97	991.51
01-Oct-98	991.51
01-Oct-99	991.51
01-Oct-2000	991.51
01-Oct-2001	991.51
01-Oct-2002	991.51
01-Oct-2003	991.51
01-Oct-2004	991.51
01-Oct-2005	991.51
01-Oct-2006	991.51
01-Oct-2007	991.51
01-Oct-2008	991.51
01-Oct-2009	991.51
01-Oct-2010	991.51
01-Oct-2011	991.51
01-Oct-2012	991.51
01-Oct-2013	991.51
01-Oct-2014	991.51
01-Oct-2015	991.51
01-Oct-2016	991.51
01-Oct-2017	991.51
01-Oct-2018	991.51
01-Oct-2019	991.51
01-Oct-2020	991.51
01-Oct-2021	991.51
01-Oct-2022	991.51
01-Oct-2023	991.51
01-Oct-2024	991.51
01-Oct-2025	991.51
01-Oct-2026	991.51
01-Oct-2027	991.51
01-Oct-2028	991.51
01-Oct-2029	991.51
	38,669.00

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:

_____

05/01/90
BCPSSDJ.Y1
06774/89001

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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CYNTHIA R. TRIBBLE

OF COUNSEL
RALPH BOHANNON
ROGER J. PERRY

WRITER'S DIRECT DIAL NUMBER

May 3, 1990

Berkeley County Public Service Sewer District
Sewer Revenue Bonds, Series 1990 A

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Berkeley County Public Service Sewer District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $828,629 Sewer Revenue Bonds, Series 1990 A, dated the date hereof (the "Local Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated May 3, 1990, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are 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, commencing October 1, 1990, at the rate of 7.85% per annum, and with principal installments payable on October 1 in each of the years 1991 through 2029, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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 13A of the West Virginia Code of 1931, as amended (the "Local Statute"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) paying interest on the Local Bonds during the construction of the Project and for not more than 6 months thereafter; and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Local Statute, the bond and notes resolution duly adopted by the Issuer on April 30, 1990, as supplemented by a supplemental resolution adopted April 30, 1990 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

1. The Issuer is a duly organized and validly existing public service district and political subdivision of the State of West Virginia, with corporate power and authority to acquire and construct the Project, 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.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

3. The Local Act and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Local Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Local Act and secured by a lien on and pledge of the Net Revenues of said System, on a parity with the Issuer's outstanding Sewer Revenue Bonds, Series 1986 A, and Sewer Revenue Bonds, Series 1986 C, both dated March 7, 1986, and issued in the original aggregate principal amounts of

$3,290,658 and $800,000, respectively, all in accordance with the terms of the Local Bonds and the Local Act.

5. The interest on the Local Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for purposes of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years beginning after December 31, 1989). The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Local Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Local Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Local Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Local Bonds.

6. The Local Bonds are, under the Local Statute, exempt from direct taxation by the State of West Virginia, and the other taxing bodies of the State, and the interest on the Local Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

7. The times for appeal of the Final Order of the Public Service Commission of West Virginia entered September 8, 1989 (Case No. 88-579-S-CN), granting to the Issuer a Certificate of Public Convenience and Necessity, and the Order of the Public Service Commission of West Virginia entered September 15, 1989 (Case No. 88-579-S-CN), clarifying said Final Order of September 8, 1989, have expired prior to the date hereof, without any appeal.

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

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

Very truly yours,

STEPTOE & JOHNSON

05/01/90
BCPSSDJ.G2
06774/89001

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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MICHAEL KOZAKEWICH, JR.
CYNTHIA R. TRIBBLE

OF COUNSEL
RALPH BOHANNON
ROGER J. PERRY

WRITER'S DIRECT DIAL NUMBER

May 3, 1990

Berkeley County Public Service Sewer District
Sewer Revenue Bonds, Series 1990 B

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Berkeley County Public Service Sewer District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia of its $38,669 Sewer Revenue Bonds, Series 1990 B, dated the date hereof (the "Supplemental Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a supplemental loan agreement, dated May 3, 1990, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Supplemental Bonds, which are to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are originally 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 1991 through 2029, inclusive, all as set forth in "Schedule X," attached to the Supplemental Loan Agreement and incorporated in and made part of the Supplemental Bonds.

The Supplemental Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia,

//

including particularly, Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) paying certain issuance and other costs in connection therewith.

The Supplemental Loan Agreement is supplemental to a loan agreement also dated May 3, 1990, between the Issuer and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to liens, pledge and source of and security for payment to (i) the bonds issued pursuant to the Loan Agreement and designated "Sewer Revenue Bonds, Series 1990 A" (the "Local Bonds"), which Local Bonds are issued simultaneously herewith, (ii) the Issuer's outstanding Sewer Revenue Bonds, Series 1986 A, dated March 7, 1986, issued in the original aggregate principal amount of $3,290,658 (the "Series 1986 A Bonds"), and (iii) the Issuer's outstanding Sewer Revenue Bonds, Series 1986 C, dated March 7, 1986, issued in the original aggregate principal amount of $800,000 (the "Series 1986 C Bonds"). The Supplemental Bonds are on a parity as to liens, pledge and source of and security for payment with the Issuer's outstanding Sewer Revenue Bonds, Series 1986 B, dated March 7, 1986, issued in the original aggregate principal amount of $1,638,194 (the "Series 1986 B Bonds").

We have also examined the applicable provisions of the Local Statute, the bond and notes resolution duly adopted by the Issuer on April 30, 1990, as supplemented by a supplemental resolution adopted April 30, 1990 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Supplemental Bonds are authorized and issued and the Supplemental Loan Agreement that has been undertaken. 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, under existing law, as follows:

1. The Issuer is a duly organized and validly existing public service district and political subdivision of the State of West Virginia, with corporate power and authority to acquire and construct the Project, 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.

2. The Supplemental Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

3. The Local Act and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement.

4. The Supplemental Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Local Act and secured by a lien on and pledge of the Net Revenues of said System, junior and subordinate only to the Local Bonds, the Series 1986 A Bonds and the Series 1986 C Bonds, and on a parity with the Series 1986 B Bonds, all in accordance with the terms of the Supplemental Bonds and the Local Act.

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

6. The Supplemental Bonds are, under the Local Statute, exempt from direct taxation by the State of West Virginia, and the other taxing bodies of the State.

7. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered September 8, 1989 (Case No. 88-579-S-CN), granting to the Issuer a Certificate of Public Convenience and Necessity, and the Order of the Public Service Commission of West Virginia entered September 15, 1989 (Case No. 88-579-S-CN), clarifying said Final Order of September 8, 1989, have expired prior to the date hereof, without any appeal.

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

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

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

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STEPTOE & JOHNSON

ATTORNEYS AT LAW

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VINCENT A. COLLINS
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OF COUNSEL
RALPH BOHANNON
ROGER J. PERRY

WRITER'S DIRECT DIAL NUMBER

May 3, 1990

Berkeley County Public Service Sewer District
Sewer Revenue Bonds, Series 1990 A

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

Ladies and Gentlemen:

We have examined a transcript of proceedings relating to the issuance of $828,629 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A (the "Local Bonds"), of Berkeley County Public Service Sewer District (the "Issuer"), and a Certificate as to Arbitrage executed by the Chairman of the Issuer on this date.

Based upon such Certificate as to Arbitrage, 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 148 of the Internal Revenue Code of 1986, as amended (the "Code"), to support the conclusion that the Local Bonds are not "arbitrage bonds" as therein defined. While we have undertaken no independent verification or investigation of the certifications, statements, expectations or representations set forth in such Certificate as to Arbitrage, no matters have come to our attention which make unreasonable or incorrect such certifications, statements, expectations or representations.

Assuming compliance with the certifications, representations, warranties and covenants contained in such Certificate as to Arbitrage, and the election of the Issuer with respect to Section 148(f)(4)(B)(iv)(V) of the Code, under existing statutes, regulations, rulings and court decisions, the proceeds from the sale of the Local Bonds in the Bond Construction Trust Fund described

in such Certificate as to Arbitrage will not be subject to rebate to the United States under Section 148(f) of the Code.

Accordingly, it is our opinion that, under existing statutes, regulations, rulings and court decisions, the Local Bonds are not "arbitrage bonds" as so defined.

The opinions set forth above are subject to the condition that the Issuer comply with all requirements of the Code relating to arbitrage that must be satisfied subsequent to the issuance of the Local Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements may cause the inclusion of interest on the Local Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Local Bonds.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

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WRITER'S DIRECT DIAL NUMBER

AND LOCATION

May 3, 1990

Berkeley County Public Service Sewer District
Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

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

Steptoe & Johnson
Post Office Box 2190
Clarksburg, West Virginia 26301

Ladies and Gentlemen:

We are counsel to Berkeley County Public Service Sewer District, a public service district, in Berkeley County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson, as bond counsel, a loan agreement and supplemental loan agreement, both dated May 3, 1990, by and between the West Virginia Water Development Authority ("the Authority") and the Issuer (collectively, the "Loan Agreement"), the Local Act (as defined therein) and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer and orders of the County Commission of Berkeley County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. Terms used in said opinions, Local Act and Loan Agreement and not otherwise defined herein have the same meanings herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer in accordance with its terms.

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

4. The Local Act has been duly adopted by the Issuer and is in full force and effect.

5. The Agreement Between Owner and Construction Engineer for the Professional Services During Bidding and Construction (the "Engineering Agreement"), dated as of April 12, 1990, by and between the Issuer and The County Commission of Berkeley County (the "Commission") (i) has been duly authorized, executed and delivered by the Issuer and the Commission and constitutes a valid and enforceable agreement of the Issuer and the Commission in accordance with its terms; (ii) meets the requirements for intergovernmental agreements set forth in Chapter 8, Article 23 of the Code of West Virginia, 1931, as amended; (iii) is not subject to the immunity provisions of Chapter 29, Article 12A, Section 5 of the Code of West Virginia, 1931, as amended; and (iv) has been approved by all necessary governmental bodies.

6. The execution and delivery of the Bonds, the Loan Agreement and the Engineering Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement, the Engineering Agreement and the Local Act, and the carrying out of the terms thereof, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

7. The Issuer has received, or there have been entered, all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates

and approvals from The County Commission of Berkeley County and the Public Service Commission of West Virginia, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered September 8, 1989, in Case No. 88-579-S-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, and the Order of the Public Service Commission of West Virginia entered September 15, 1989, in Case No. 88-579-S-CN, among other things, approving the issuance of the Bonds and the rates and charges for the services of the System, and generally clarifying said Final Order of September 8, 1989, have expired prior to the date hereof, without any appeal.

8. The Issuer has duly published a notice of the acquisition and construction of the Project, issuance of the Bonds and related matters, as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

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

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

Very truly yours,

Hoy G. Shingleton, Jr.

BOWLES RICE MCDAVID GRAFF & LOVE

Enclosure
HGS,jr./hd

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. GRANTS
11. LOAN AGREEMENT
12. RATES
13. SIGNATURES AND DELIVERY
14. BOND PROCEEDS
15. PUBLICATION OF NOTICE OF BORROWING AND PSC FILING
16. PRIVATE USE OF FACILITIES
17. NO FEDERAL GUARANTY
18. IRS INFORMATION RETURN
19. SPECIMEN BONDS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Berkeley County Public Service Sewer District, in Berkeley County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the $867,298 aggregate principal amount of Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 1990 A and Series 1990 B (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning as in the Bond and Notes Resolution of the Issuer adopted April 30, 1990, and a Supplemental Resolution adopted April 30, 1990 (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 Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of the Grant Receipts or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants or any proceedings of the Issuer taken with respect to the

issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Grant Receipts or such pledge or application of moneys and security or the collection of the Net Revenues or pledge thereof.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and 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 Issuer since the approval and execution and delivery by the Issuer of the Loan Agreement, the Issuer has met all conditions prescribed in the Loan Agreement entered into between the Issuer and the Authority and the Issuer is in compliance with all requirements of the Prior Resolution. Other than as described below, there are no outstanding debt obligations of the Issuer, which are secured by revenues and/or assets of the System. The Issuer does have outstanding its Sewer Revenue Bonds, Series 1986 A, dated March 7, 1986, issued in the original principal amount of $3,290,658 (the "Series 1986 A Bonds"), the Sewer Revenue Bonds, Series 1986 B, dated March 7, 1986, issued in the original principal amount of $1,638,194 (the "Series 1986 B Bonds"), and the Sewer Revenue Bonds, Series 1986 C, dated March 7, 1986, issued in the original principal amount of $800,000 (the "Series 1986 C Bonds"). All payments required to be made on behalf of the Series 1986 A Bonds, Series 1986 B Bonds, and Series 1986 C Bonds are current.

The Series 1990 A Bonds are senior and prior with respect to liens, pledge and source of and security for payment to the Series 1986 B Bonds and the Series 1990 B Bonds, and are on parity with the Series 1986 A Bonds and the Series 1986 C Bonds. The Series 1990 B Bonds are on parity with the Series 1986 B Bonds, and are junior and subordinate to the Series 1990 A Bonds, the Series 1986 A Bonds and the Series 1986 C Bonds.

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

Certified copies of Orders of County Commission proposing and creating Public Service District and Affidavit of Publication.

Certified copies of Orders of County Commission appointing current members to Public Service Board.

Certified copies of Oaths of Office of current members of Public Service Board.

Bond and Notes Resolution.

Supplemental Resolution.

Rules of Procedure of Public Service Board.

Affidavits of Publication of Notice of Borrowing and Filing of PSC Application.

Minutes of 1990 Organizational Meeting of Public Service Board.

Minutes on Adoption of Bond and Notes Resolution and Supplemental Resolution.

Loan Agreement and Supplemental Loan Agreement.

EPA Grant Agreement, with Part B Amendment.

Evidence of Grant Commitment of the Berkeley County Commission.

Public Service Commission Final Order entered September 8, 1989.

Public Service Commission Order entered September 15, 1989.

Public Service Commission Final Order entered April 25, 1990.

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Berkeley County Public Service Sewer District." The Issuer is a public service district and public corporation duly created by the County Commission of Berkeley County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Robert G. Criswell	June 1, 1988	June 30, 1992
Roger Lee Goodwin	March 1, 1990	December 31, 1992
Clarence L. Robinson	January 7, 1987	June 30, 1992

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 1990 are as follows:

Chairman	-	Robert G. Criswell
Secretary	-	Roger Lee Goodwin
Treasurer	-	Clarence L. Robinson

The duly appointed and acting counsel to Issuer is Bowles Rice McDavid Graff & Love, Martinsburg, West Virginia.

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

8. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in

any way connected with the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, without limitation, Chapter 6, Article 9A, of the Official West Virginia Code of 1931, as amended, and a quorum of duly appointed, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Local Act. All insurance for the System required by the Local Act is in full force and effect. The System is not presently covered by policies of flood or business interruption insurance, but will be if such coverages are available at reasonable cost.

10. GRANTS: As of the date hereof, the United States Environmental Protection Agency has committed to the Issuer a grant in the amount of $1,315,490 (of which $1,053,996 will be allocated to the Project) and the County Commission of Berkeley County has committed to the Issuer a grant in the amount of $350,000. Both grants are, as of this date, in full force and effect.

11. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading.

12. RATES: The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on September 8, 1989 (Case No. 88-579-S-CN), among other things, granting to the Issuer a Certificate of Public Convenience and Necessity for the Project, and the Order of the Public Service Commission of West Virginia entered on September 15, 1989 (Case No. 88-579-S-CN), among other things, approving the rates and charges for the services of the System and approving and consenting to the issuance of the

Bonds and the financing for the Project, and has adopted a resolution prescribing such rates and charges. The time for appeal of both said Orders have expired prior to the date hereof, without any appeal.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, all dated May 3, 1990, by his manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon each of said Bonds and to be attested by his manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. BOND PROCEEDS: On the date hereof the Issuer received from the Authority the agreed purchase price of the Bonds, being $867,298 (100% of par value), there being no interest accrued thereon.

15. PUBLICATION OF NOTICE OF BORROWING AND PSC FILING: The Issuer has published any required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges, issuance of the Bonds and filing of a formal application for a Certificate of Public Convenience and Necessity with the Public Service Commission of West Virginia, in accordance with Chapter 16, Article 13A, Section 25 of the Official West Virginia Code of 1931, as amended.

16. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal of, or interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived

from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate related business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit, other than use as a member of the general public. All of the foregoing have been and are to be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended (including any amendments and successor provisions and the rules and regulations thereunder, the "Code").

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

18. IRS INFORMATION RETURN: On the date hereof, the undersigned Chairman did officially execute a properly completed IRS Form 8038-G in connection with the Bonds and will cause such executed Form 8038-G to be filed in a timely manner pursuant to Section 149(e) of the Code with the Internal Revenue Service Center, Philadelphia, Pennsylvania. The information contained in such executed Form 8038-G is true, correct and complete.

19. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Bonds.

WITNESS our signatures and the official seal of BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT on this 3rd day of May, 1990.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Robert G. Criswell	Chairman
Roger Lee Goodwin	Secretary
	Counsel to Issuer

05/01/90
BCPSSDJ.K2
06774/89001

19. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Bonds.

WITNESS our signatures and the official seal of BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT on this 3rd day of May, 1990.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____	Counsel to Issuer

04/10/90
BCPSSDJ.K1
06774/89001

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A

CERTIFICATE AS TO ARBITRAGE

I, Robert G. Criswell, Chairman of the Public Service Board of Berkeley County Public Service Sewer District, in Berkeley County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $828,629 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A, of the Issuer, dated May 3, 1990 (the "Local Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"). I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds, hereinafter defined. 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 Issuer.

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on May 3, 1990, the date on which the 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 Issuer set forth herein are reasonable.

5. In the Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information

return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

6. The Local Bonds and the Series 1990 B Bonds (the "Supplemental Bonds"), which Supplemental Bonds bear no interest, were sold on May 3, 1990, to the West Virginia Water Development Authority (the "Authority") for an aggregate purchase price of $867,298 (100% of par), there being no accrued interest paid thereon. The Supplemental Bonds are junior and subordinate to the Local Bonds. The Local Bonds and the Supplemental Bonds are collectively herein referred to as the "Bonds."

7. The Local Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) paying interest on the Local Bonds during the construction of the Project and for not more than 6 months thereafter; and (iii) paying costs of issuance of the Local Bonds. The Supplemental Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying costs of issuance of the Supplemental Bonds.

8. The Issuer shall, within 30 days following delivery of the Bonds, enter into agreements which require the Issuer to expend in excess of $100,000 on the Project, constituting a substantial binding commitment, or has already done so. Acquisition, construction and equipping of the Project will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before June 1, 1991, except as otherwise required for rebate to the United States under Section 148(f) of the Code. Construction of the Project is expected to be completed by May 1, 1991.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $2,286,294. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of Local Bonds	$ 828,629
Gross Proceeds of Supplemental Bonds	38,669
EPA Grant	1,053,996
County Commission of Berkeley County Grant	350,000
Tap Fees	15,000
Total Sources	$2,286,294

USES

Acquisition and Construction of Project	$2,210,247
Capitalized Interest on Local Bonds	65,047
Funded Reserve for Local Bonds	-0-
Funded Reserve for Supplemental Bonds	-0-
Costs of Issuance of Bonds	11,000
Total Uses	$2,286,294

The amount of Project costs not expected to be reimbursed or paid from Supplemental Bond proceeds, tap fees, the EPA Grant receipts and receipts from the grant from the County Commission of Berkeley County is estimated to be at least equal to the gross proceeds of the Local Bonds. Except for the proceeds of the Local Bonds, the Supplemental Bonds, the EPA Grant, the grant from the County Commission of Berkeley County and tap fees, no other funds of the Issuer 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 V of the Local Act, the following special funds or accounts have been created (or continued if previously established by the Prior Resolution):

(1) Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Renewal and Replacement Fund;

(4) Bond Construction Trust Fund;

(5) Rebate Fund;

(6) Prior Bonds Sinking Fund;

(7) Series 1990 A Bonds Sinking Fund, and within the Series 1990 A Bonds Sinking Fund, the Series 1990 A Bonds Reserve Account; and

(8) Series 1990 B Bonds Sinking Fund, and within the Series 1990 B Bonds Sinking Fund, the Series 1990 B Bonds Reserve Account.

11. Pursuant to Article VI of the Local Act, the proceeds of the Local Bonds (and the Supplemental Bonds) will be deposited as follows:

(1) Local Bonds proceeds in the amount of $65,047 will be deposited in the Series 1990 A Bonds Sinking Fund and applied to payment of interest on the Local Bonds during construction of the Project and for a period not to exceed six months following completion thereof.

(2) Local Bonds proceeds in the amount of $-0- and Supplemental Bonds proceeds in the amount of $-0- will be deposited in the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account, respectively.

(3) The balance of the proceeds of the Local Bonds and the Supplemental Bonds will be deposited in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project, including costs of issuance of the Bonds and related costs. Amounts in the Bond Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years.

12. Moneys held in the Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Local Bonds and the Supplemental Bonds, respectively, and will not be available to meet costs of acquisition and construction of the Project. Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 1990 A Bonds Sinking Fund and Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Sinking Fund and Series 1990 B Bonds Reserve Account will be withdrawn therefrom, not less than once each year, and, during construction of the Project, deposited into the Bond Construction Trust Fund, and following completion of construction of the Project, will be deposited

in the Revenue Fund, and such amounts will be applied in full, first to the next ensuing interest payments, if any, due on the respective series of Local Bonds and Supplemental Bonds, and then to the next ensuing principal payments due thereon.

13. Except for the Series 1990 A Bonds Sinking Fund and the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Sinking Fund and Series 1990 B Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Local Bonds or the Supplemental Bonds, respectively, or which are pledged as collateral for the Local Bonds or the Supplemental Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Local Bonds or the Supplemental Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Rebate Fund or the Renewal and Replacement Fund will be used or needed for payments upon the Bonds are available and, because such amounts may be expended for other purposes, there is no reasonable assurance that such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved desegregation plan producing a yield in excess of the yield on the Bonds, have been or will be pledged to payment of the Bonds. Less than 10% of the proceeds of the Local Bonds, if any, will be deposited in the Series 1990 A Bonds Reserve Account or any other reserve or replacement fund, and less than 10% of the proceeds of the Supplemental Bonds, if any, will be deposited in the Series 1990 B Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal and interest on the Local Bonds and the Supplemental Bonds, respectively, and will not exceed 125% of average annual principal and interest on the Local Bonds and the Supplemental Bonds, respectively. Amounts in the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account, not to exceed 10% of the proceeds of the Local Bonds and the Supplemental Bonds, respectively, if invested, will be invested without yield limitation. The establishment of the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account are required by the Authority, are vital to its purchase of the Local Bonds and the Supplemental Bonds, respectively, and are reasonably required to assure payments of debt service on the Local Bonds and the Supplemental Bonds, respectively.

14. The Issuer expects to enter into a contract within 6 months of the date hereof, or has already entered into such a contract, for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or $100,000.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. Acquisition and construction is expected to be completed within 12 months.

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

17. With the exception of the amount deposited in the Series 1990 A Bonds Sinking Fund for payment of interest on the Local Bonds and amounts deposited in the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account, all of the proceeds of the Bonds will be expended on the Project within 13 months from the date of issuance thereof.

18. The Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund (other than the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account therein) are intended primarily to achieve a proper matching of payments of debt service on the Local Bonds and the Supplemental Bonds, respectively, each year. The Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund (other than the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Local Bonds or the Supplemental Bonds, respectively, or 1 year's interest earnings on the Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund (other than the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 1990 A Bonds Sinking Fund and in the Series 1990 B Bonds Sinking Fund for payment of the principal of or interest on the Local Bonds and the Supplemental Bonds, respectively (other than the Series 1990 A Bonds Reserve Account and Series 1990 B Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation.

19. All the proceeds of the Local Bonds which were used for the payment of costs of the Project will be expended for such purposes within three years of December 27, 1989.

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

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

22. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania, 19255.

23. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of Bonds or $5,000,000 have been or will be used to make or finance loans to, any person who is not a governmental unit.

24. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issues, except to the extent any such proceeds are required for rebate to the United States.

25. The Issuer shall use the Bond proceeds solely for the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

26. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

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

28. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal

Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

29. The Issuer has retained the right to amend the Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income of the holders thereof.

30. The Issuer shall comply with the yield restriction on Bond proceeds as set forth in the Code.

31. The Issuer has either (a) funded the Series 1990 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Local Bonds in the then current or any succeeding year with the proceeds of the Local Bonds, or (b) created the Series 1990 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10 year period until such Series 1990 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Local Bonds in the then current or any succeeding year. Moneys in the Series 1990 A Bonds Reserve Account and the Series 1990 A Bonds Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Local Bonds and will not be available to pay costs of the Project.

32. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation and a certificate with respect thereto or, if the Issuer qualifies for the small governmental issuer exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

33. The Issuer expects that no part of the Project financed by the Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

34. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer has covenanted to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code,

and has covenanted to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Resolutions authorizing issuance of the Bonds.

The Issuer has further covenanted to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. The Issuer has further covenanted pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

35. The Bonds are a fixed yield issue. No interest or other amount payable on any of the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

36. None of the Bonds has a yield-to-maturity more than one-fourth of one percent higher than the yield on the Bond determined by assuming the Bond is retired on the date that when used in computing the yield on the Bond produces the lowest yield.

37. No portion of the proceeds of the Bonds will be used, directly or indirectly, to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

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

sources of funds of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

39. The Issuer will expend the gross proceeds of the Bonds (other than any gross proceeds held in the Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund, but including all capitalized interest deposited therein and all earnings thereon) for the Project no later than the day which is two years after the date of issuance of the Bonds. The Issuer will expend the net proceeds (including, without limitation, investment proceeds earned before the close of the period involved on the investment of the sale proceeds of the Bonds) of the Bonds for the Project within the following periods beginning on the date of issuance of the Bonds:

Not less than 10 percent within 6 months,

Not less than 45 percent within 1 year,

Not less than 75 percent within 18 months, and

Not less than 100 percent within 2 years

(except for a reasonable retainage not exceeding 5% of the net proceeds of the Bonds which will be spent within 3 years). The Issuer shall, within 30 days after the end of each six month period described above, and every six month period thereafter until all the proceeds of the Bonds have been expended for the Project, certify to the Authority the amount of expenditure from Bond proceeds as of the end of such period. The Issuer has elected the application of Section 148(f)(4)(B)(iv)(V) of the Code to the Bonds and has agreed to pay a penalty with respect to the close of each 6-month period after the date the Bonds are issued equal to 1.5% of the amount of the net proceeds of the Bonds which, as of the close of such period, are not spent as set forth in this paragraph. At least 75% of the net proceeds of the Bonds are to be used for construction expenditures with respect to property owned by the Issuer, and the Project will be owned by the Issuer.

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

41. On the basis of the foregoing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause

the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

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

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

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

IN WITNESS WHEREOF, I have set my hand this 3rd day of May, 1990.

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

By _____
Its Chairman

05/01/90
BCPSSDJ.L2
06774/89001

CERTIFICATE

The undersigned certifies that I am duly authorized to execute this Certificate on behalf of The County Commission of Berkeley County, serving in the capacity of consulting engineers for Berkeley County Public Service Sewer District, and, based on the anticipated construction schedule and schedule of expenditures of the proceeds of the Bonds (as defined in the Certificate as to Arbitrage to which this Certificate is attached), the representations set forth in Paragraph 39 of such Certificate as to Arbitrage with respect to the expenditures of proceeds of the Bonds are reasonable.

Dated: May 3, 1990.

THE COUNTY COMMISSION OF BERKELEY COUNTY

By William J. Lack
Its County Engineer

05/01/90
BCPSSDJ.M2
06774/89001

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

ENGINEER'S CERTIFICATE

I, William J. Teach, Registered Professional Engineer, West Virginia License No. 7275, hereby certify as follows:

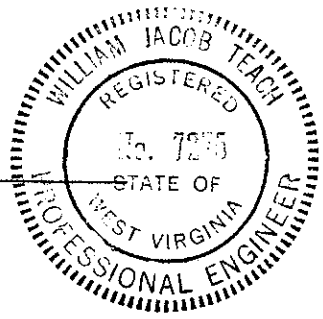
1. I am engineer for the acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities (the "Project") of Berkeley County Public Service Sewer District in Berkeley County, West Virginia (the "Issuer"). Certain costs of such acquisition and construction are being financed by proceeds of the above-captioned bonds (the "Bonds") anticipated to be purchased by the West Virginia Water Development Authority (the "Authority") and certain grant proceeds from the United States Environmental Protection Agency and the County Commission of Berkeley County.

2. I hereby certify that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by Howard Needles Tammen & Bergendoff, Charleston, West Virginia and amendments thereto prepared by me and as described in the Application submitted to the Authority and approved by all necessary governmental bodies and will be situate wholly or chiefly within the boundaries of the Issuer; (ii) the Project is adequate for the purpose for which it was designed and all applicable and necessary governmental approvals, certificates, permits, exemptions, consents and authorizations for the acquisition and 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 acquisition and construction of the Project have been received in an amount and are otherwise compatible with the plan of financing described in said Application and I will ascertain that all contractors have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy and completeness prior to commencement of acquisition and construction of the Project; (iv) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States of America necessary for acquisition and construction of the Project; (v) the acquisition and construction of and funding for the Project should proceed to a successful conclusion within the time schedules proposed; (vi) the useful life of the facilities constituting the Project is not less than 40 years; (vii) the rates and charges for the sewerage

system of the Issuer comply with the applicable provisions of the Loan Agreement and Supplemental Loan Agreement by and between the Authority and the Issuer; (viii) the net proceeds of the Bonds, together with the proceeds of the grants and other moneys on deposit or to be simultaneously deposited and irrevocably committed therefor, will be sufficient to pay the costs of acquisition and construction of the Project as set forth in the Application submitted to the Authority as of the date of the Loan Agreement; and (ix) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this 3rd day of May, 1990.

William J. Teach



[SEAL]

The undersigned PRESIDENT of THE COUNTY COMMISSION OF BERKELEY COUNTY (the "Commission") hereby certifies that William J. Teach, whose signature appears above, is the engineer for Berkeley County, West Virginia, and that the "Agreement Between Owner and Construction Engineer for Professional Services During Bidding and Construction," dated as of April 12, 1990, by and between the Issuer and the Commission has been duly authorized, executed and delivered by the Commission.

THE COUNTY COMMISSION OF BERKELEY COUNTY

By _____
Its President

[SEAL]

05/01/90
BCPSSDJ.N4
06774/89001

SEE ENCLOSED WORKSHEET

DATE: 4/27/90

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: Berkeley County Public Service Sewer District

ESTIMATED TOTAL COST OF PROJECT AND SOURCES OF FUNDS

A. Cost of Project

1.	Construction	$ 1,953,688	
2.	Technical Services	$ 75,000	
3.	Legal and Fiscal	$ 20,000	
4.	Administrative	$ 20,000	
5.	Site and Other Lands	$ 5,000	
6.	Step I and/or Step II (Design) or Other Loan Repayment (Specify Type: Step II)	$ 32,875	
7.	Interim Financing Costs	$	
8.	Contingency (5% of project costs)	$ 103,684	
9.	Total of Lines 1 through 8		$ 2,210,247

B. Sources of Funds

10.	Federal Grants:[1] (Specify Source)	EPA Grants	$ 1,053,996
11.	State Grants:[1] (Specify Source)		$
12.	Other Grants: (Specify Source)	County Commission	$ 350,000
13.	Any Other Source[2] (Specify)	Tap Fees	$ 15,000
14.	Total of Lines 10 through 13		$ 1,418,996
15.	Net Proceeds Required from Bond Issue (Line 9 less Line 14)		$ 791,251

C. Cost of Financing

16.	Capitalized Interest (1 Year - 7.5%) (construction period plus six months)	$ 65,047	
17.	Funded Reserve Account[3]	$	
18.	Other Costs:[4] Issuance Costs	$ 11,000	
19.	Total Cost of Financing		$ 76,047
20.	Size of Bond Issue (Line 15 plus Total from Line 19)		$ 867,298

[1]Attach supporting documentation not previously submitted. If not yet available, state such and expectations as to availability.

[2]For example, interest earnings during construction, if applicable. Include the proceeds of any parity or subordinate bond issue to be used for such purpose and attach supporting documentation if available (if not yet available, state such and expectations as to availability).

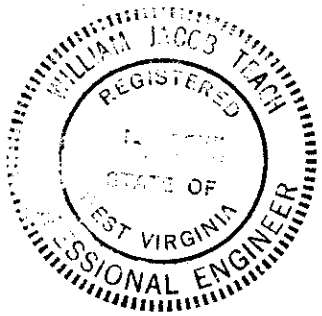
[3]Consult with bond counsel and the Authority before assuming a funded reserve.

[4]For example, fees of bond counsel for the Governmental Agency.

Additional or explanatory material may be provided on additional sheets attached to Amended Schedule A.

Robert G. Caswell
APPLICANT

William J. Leach
CONSULTING ENGINEER



COX ALLEMONG NICHOLS
CERTIFIED PUBLIC ACCOUNTANTS

May 3, 1990

Berkeley County Public Service Sewer District
Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25065

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the Order of the Public Service Commission of West Virginia, entered September 15, 1989, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by The County Commission of Berkeley County, serving in the capacity of consulting engineers for the project to be financed with the captioned Bonds, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of Berkeley County Public Service Sewer District, will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 1990 A and Series 1990 B, to be issued to the West Virginia Water Development Authority and all other obligations secured or payable from the revenues of the System prior to or on a parity with such Bonds, including the Prior Bonds, as defined in the Resolution.

Very truly yours,

Cox Allemong Nichols, CPAs

COX ALLEMONG NICHOLS, CPAs
Martinsburg, West Virginia

MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 1207A • 101 N. Spring Street • Martinsburg, West Virginia 25401
Phone: 304/263-0891 • Fax: 304/263-0997

COX ALLEMONG NICHOLS
CERTIFIED PUBLIC ACCOUNTANTS

May 3, 1990

Berkeley County Public Service Sewer District
Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

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

Ladies and Gentlemen:

Based on our review of the Net Revenues (as defined in the Berkeley County Public Service Sewer District's Water Development Authority Series 1986 A and B Bond Resolution) of the Berkeley County Public Service Sewer District for the year ended June 30, 1989, as presented in their audited financial statements dated August 15, 1989, it is our opinion that the District's Net Revenues met or exceeded 115% of the debt service costs related to their then outstanding Water Development Authority bond issues for the year then ended.

Cox Allemong Nichols, CPAs

COX ALLEMONG NICHOLS, CPAs
Martinsburg, West Virginia

MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 1207A • 101 N. Spring Street • Martinsburg, West Virginia 25401
Phone: 304/263-0891 • Fax: 304/263-0997

17B

STATE OF WEST VIRGINIA,
COUNTY OF BERKELEY, } *TO WIT:*

I, John W. Small, Jr., *Clerk of the County Court of Berkeley County, a Court of record in and for said County and State, do certify that the foregoing is a true, accurate and complete copy of* Commission minutes of March 2, 1979

as the same appears of record in the Office of the said Clerk of the County Court in ~~Minute~~ Book No. 25, Page 33.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said court, at my office, in said County, this 30th *day of* ~~April~~, 19 90.

John W Small

Clerk of the County Court of Berkeley County, W. Va.

18A

Court Minutes of March 2, 1979 cont'd

IN RE: INSURANCE PROFESSIONAL LIABILITY - SHERIFF'S DEPARTMENT

Stu Borger, Smith Nadenbousch Insurance Firm appeared before the Commission with the new Professional Liability Insurance Policy to include the Police Reserve in the amount of $6,743.22 annually.

Commissioner Downey moved the Commission cancell the NATIONAL SHERIFFS' ASSOCIATION LIABILITY POLICY as of February 28, 1979 at 12:00 Midnight, and accept the new policy as of February 28, 1979 at 12:01 P.M. with Smith Nadenbousch.

Refund premium from the National Sheriffs Association will be in the amount of $2,877.42.

Commissioner Wright seconded. So ordered.

IN RE: BERKELEY COUNTY PUBLIC SERVICE DISTRICT FOR COUNTY SEWER SERVICE

Sprague Hazard appeared before the Commission with an ORDER for a public Hearing on April 10, 1979 at 10:30 A.M. for the creation of a Public Service District to provide sewerage service for Berkeley County.

Commissioner Downey moved the ORDER be placed on the Minutes.

Commissioner Wright seconded. So ordered.

O R D E R

Pursuant to the authority vested in the County Commission of Berkeley County, West Virginia, by W. Va. Code, 16-13A-2, the County Commission of Berkeley County, West Virginia, on its own motion, by order duly adopted on this day, the 2nd of March, 1979, hereby proposes the creation of a public service district for providing sewerage services for Berkeley County, West Virginia.

The territory to be embraced by this public service district is all of Berkeley County, West Virginia. The names of the proposed public service district shall be the Berkeley County Sewer Authority. The purpose of this public service district shall be the further preservation of the public health, comfort and convenience of the residents of Berkeley County by providing county-wide sewerage services to collect, treat, purify or dispose of liquid or solid wastes, sewage or industrial wastes.

Further, the County Commission fixes the date of Wednesday, April 10, 1979, at 10:30 A.M. for a public hearing on the creation of the proposed public service district, this date being not more than forty (40) days nor less then twenty (20) days from today. This public hearing shall be held at Berkeley County Court House, Room 5.

Further the Clerk of the County Commission of Berkeley County is directed to cause notice of this public hearing to be given by publication as a Class I legal advertisement in compliance with the provisions of W. Va. Code, 59-3-1 et seq. in the Evening Journal, Martinsburg, West Virginia. This notice by publication shall contain the time and place of the public hearing and shall set forth a description of all the territory proposed to be included in this public service district. Further, this publication shall be completed at least ten (10) days prior to the public hearing.

Further, the Clerk of the County Commission of Berkeley County shall cause to be posted in at least five conspicuous places in the proposed public service district, a notice containing the same information as is contained in the published notice outlined above. Further, these posted notices shall be posted not less than ten (10) days before the public hearing.

Further, at this hearing all persons residing in, owning or having an interest in property in Berkeley County, West Virginia, shall have an opportunity to be heard for and against the creation of this proposed public service district. Also, at this hearing the County Commission of Berkeley County shall consider and determine the feasibility of the creation of this proposed public service district.

COUNTY COMMISSION OF BERKELEY COUNTY,
WEST VIRGINIA
S/S by John Evans Wright, President

IN RE: JENEICE ROBINSON AND SHIRLEY MASON APPOINTED AS OFFICE DEPUTY ASSESSOR

Mrs. Helen Vickers appeared before the Commission and swore in Jeneice Robinson and Shirley Mason as Office Deputy Assessors for the County Assessors Office.

IN RE: APPLICATION OF IDA E. SINE AS NOTARY PUBLIC

Upon the application of Ida E. Sine, of Rt. 1, Box 43A, Gerrardstown, W. Va., for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which she seeks appointment, that she is competent to perform the duties of such office, and that she is a person of good moral character, all of which the Clerk of the Court is directed to certify according to law.

IN RE: RAILROAD CONTRIBUTION FOR FENCING FOR P.O. FAULKNER PARK

Commissioner Downey moved the Commission sign the letter from the Park and Rec. Board, approving the fencing the Railroad against the County land.

Commissioner Wright seconded. So ordered.

Mr. J. M. Emmett, Division Manager
Operating Department
Chessie System
Camden Station
Baltimore, MD 21201

RE: Contribution of $7,500.00 for construction of fence for use by the Martinsburg-Berkeley County Recreation Board

STATE OF WEST VIRGINIA,
COUNTY OF BERKELEY, } *TO WIT:*

I, John W. Small, Jr., *Clerk of the County Court of Berkeley County, a Court of record in and for said County and State, do certify that the foregoing is a true, accurate and complete copy of* Commission Minutes of November 27, 1979

as the same appears of record in the Office of the said Clerk of the County Court in Minute *Book No.* 25, *Page* 227.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said court, at my office, in said County, this 30th *day of* April, *19*90.

Clerk of the County Court of Berkeley County, W. Va.

18B

IN RE: CHECKS SIGNED WITH THE PRESIDENTS' STAMP

The following checks were signed with the Presidents' stamp.

Jail Improvement and Operating.....No. 35
Dog Tax Fund.....No. 857 - 858
General Co. Fund.....No. 27339 - 27361

IN RE: ORDER - CREATING BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Commissioner Burkhart moved the Commission sign and record an ORDER creating Berkeley County Public Service Sewer District, and recorded NUNC PRO TUNC.
Commissioner Wright seconded. So ordered.

ORDER

Pursuant to the authority vested in the County Commission of Berkeley County, West Virginia, by West Virginia Code, 16-13A-2, the County Commission of Berkeley County, West Virginia, on this 10th day of April, 1979, at 10:30 o'clock a.m. held, pursuanto to an Order entered March 2, 1979, by this Commission, and after the prescribed notice, a public hearing on the creation of a public service district for providing sewerage services for Berkeley County, West Virginia.

At this public hearing held this 10th day of April, 1979 all persons residing in or owning or having any interest in property in this proposed public service district had an opportunity to be heard for and against its creation. After hearing all interested persons, the County Commission of Berkeley County considered and determined the feasibility of the creation of this proposed public service district.

Further, the County Commission of Berkeley County, West Virginia, has determined that the construction or acquisition by purchase or otherwise and maintenance, operation, improvement, and extension of public service properties by such public service district will be conducive to the preservation of public health, comfort and convenience of this area. It is therefore the order of the County Commission of Berkeley County, West Virginia that there be created a public service district for providing sewerage services for Berkeley County, West Virginia with the territory to be embraced by this public service district to be all of Berkeley County, West Virginia. The public service district shall be called the Berkeley County Public Service Sewer District.

This Order shall be effective and entered this 10th day of April, 1979.

County Commission of Berkeley
County, West Virginia

S/S by John Evans Wright
Its President

ORDERED Commission Recess to Meet Friday, November 30, 1979 at 9:30 A.M.

John Evans Wright President

November 21, 1979

In Vacation of Court.

IN RE: SYMPATHY EXTENDED TO COMMISSIONER DOWNEY

Commissioners Wright and Burkhart join in extending this heart felt sympathy to Commissioner Harold A. Downey at the time of the loss of his beloved wife Dorothy "Rice" E. Downey and hereby order that the Court House be closed to business from the end of the work day Wednesday, November 23 until the beginning of the work day on Monday, November 26, 1979.

This is done as a expression of respect and sympathy.

Also, be it know, Commissioner Downey is excused from the usual Commission activities by reason of necessity during the time of his bereavement.

November 30, 1979

In Vacation of Court.

IN RE: ABSTRACT FROM COMMISSIONER'S ORDERS - SPEED ZONING STUDY

CC
AEX
CH
HD
DT
PJ
District
Five
County
Commission
Dept. of
Public
Safety
WV Motor
Truck Assoc.
Contractors
Assoc. of
WV

Pursuant to authority vested in the Commissioner by Chapter 17C, Article 6, Section 2, of the Official Code of West Virginia, Director, Traffic Engineering Division, and the concurrence of the Chief Engineer-Development and the State Highway Engineer, hereby ORDERS that the attached summary of the results of a SPEED ZONING STUDY be recorded and County Route 13/1 in BERKELEY COUNTY, DISTRICT FIVE, be signed in accordance with the conclusions thereof.

This order shall be effective when appropriate signs giving notice to the public have been erected.

Entered this 15th day of November, 1979.

S/S by Charles L. Miller
West Virginia Commissioner of Highways

[redacted]

STATE OF WEST VIRGINIA,
COUNTY OF BERKELEY, } *TO WIT:*

I, John W. Small, Jr. *, Clerk of the County Court of Berkeley County, a Court of record in and for said County and State, do certify that the foregoing is a true, accurate and complete copy of* Commission Minutes for June 25, 1987

as the same appears of record in the Office of the said Clerk of the County Court in Minute *Book No.* 29 *, Page* 262 .

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said court, at my office, in said County, this 27th *day of* April *, 19*90.

Clerk of the County Court of Berkeley County, W. Va.

19A

[redacted]

CASTLE & HARRIS INC., SPENCER, W. VA. RE-ORDER #: 56724-E

IN RE: REAPPOINTMENT OF CLARENCE ROBINSON AND BERNARD MORNINGSTAR AS MEMBERS OF THE BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Commissioner Wright moved the Commission reappoint Mr. Bernard Morningstar and Mr. Clarence Robinson to a five (5) year term as members of the Berkeley County Public Service Sewer District. Expiration date of their term will be June 30, 1992.
Commissioner Shockey seconded. So ordered unanimously.

IN RE: REAPPOINTMENT OF ELWOOD BUTLER AS A MEMBER OF THE DEPUTY SHERIFF'S CIVIL SERVICE COMMISSION

Commissioner Wright moved the Commission reappoint Elwood Butler as a member of the Deputy Sheriff's Association for a three (3) year term. Expiration date of his term will be June 30, 1990.
Commissioner Shockey seconded. So ordered unanimously.

IN RE: REAPPOINTMENTS OF RON SINE AND CHARLES LEAVETT TO THE BERKELEY COUNTY FIRE BOARD

Commissioner Wright moved the Commission reappoint Ron Sine and Charles Leavett as members of the Berkeley County Fire Board for three (3) year term. Expiration date of their term will be June 30, 1990.
Commissioner Shockey seconded. So ordered unanimously.

IN RE: HIRING OF ROBIN L. RAINES-CORRECTIONS DEPARTMENT

Commissioner Wright moved to accept the letter from Sheriff Kisner with the hiring of Robin L. Raines, effective Monday, June 22, 1987 to assist the Corrections Department with receiving phone calls and dispatching calls to the field officers. Her salary will be $5.00 per hour, no benefits until her six months probation is completed.
Commissioner Shockey seconded. So ordered unanimously.

June 22, 1987

To: Finance

Hiring of Robin L. Raines:

Effective Monday June 22nd, Robin L. Raines will be employed with the Sheriff's Department as a 4 to 12:00 clerk to assist the Corrections Department with receiving phone calls and dispatching calls to the field officers. She will also log information and process inmate information on the computer system. Her salary will be $5.00 per hour, no benefits until her six months probation is completed.

Respectfully submitted,

William N. Kisner
Sheriff & Treasurer

WNK/lb

IN RE: PAY INCREASE FOR CORRECTIONAL OFFICER CARL FRANKLIN

Commissioner Wright moved the Commission accept the letter from Sheriff Kisner that as of July 1, 1987, Carl Franklin will have completed his probation and his salary is to be increased to $11,000 per year.
Commissioner Shockey seconded. So ordered unanimously.

June 23, 1987

To: Berkeley County Commission

Pay Increase for Correctional Officer Carl Franklin:

Gentlemen as of July 1st 1987, Carl Franklin will have completed his probation and his salary is to be increased to $11,000 per year, $458.33 per pay, $5.29 per hour and $7.94 for overtime.

Respectfully submitted,

Willian N. Kisner
Sheriff & Treasurer

WNK/lb

[redacted]

STATE OF WEST VIRGINIA,
COUNTY OF BERKELEY, } *TO WIT:*

I, John W. Small, Jr., *Clerk of the County Court of Berkeley County, a Court of record in and for said County and State, do certify that the foregoing is a true, accurate and complete copy of* Commission minutes for June 23, 1988

as the same appears of record in the Office of the said Clerk of the County Court in Minute *Book No.* 30, *Page* 121.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said court, at my office, in said County, this 27th *day of* April, *1990.*

Clerk of the County Court of Berkeley County, W. Va.

198

[redacted]

JAIL DAYS

FELONIES	837
MISDEMEANORS	1178
TOTAL	2015

William N. Kisner, Sheriff
June 21, 1988

COUNTY JAIL EXPENDITURES

Food	$ 8,079.61
Medical	$ 6,612.15
Supplies & Materials	$ 935.31
Salaries	$ 20,078.51
Repairs & Services	$ 6,869.47
Utilities	$ 4,392.44
TOTAL	$ 46,967.49

Total dollars spent $ 46,967.49 divided by jail days 2015 = cost per day $23.31.

IN RE: APPOINTMENT SEWER BOARD - ROBERT CRISWELL

Commissioner Bayer made a motion to appoint Robert Criswell to the Berkeley County Sewer Board. He will be replacing Bernard Morningstar.
Commissioner Wright seconded. So ordered unanimously.

IN RE: ERRONEOUS ASSESSMENT - APPROVED

Medical Aids of WV, Opequon. Turned in 1979 Merc. Zephyr on business return in error. Made supp. for correct vehicles the company had on July 1, 1986. Auto was owned personally by Philip Coffer, President of Company, and registered in Maryland.
Exon. $13.60 No. 1561198

IN RE: COMMISSION MINUTES OF JUNE 16, 1988 - APPROVED

Commissioner Wright moved the Commission approve the minutes of June 16, 1988.
Commissioner Bayer seconded. So ordered unanimously.

IN RE: NO COMMISSION MEETING WEEK OF JULY 4, 1988

Due to a lack of a quorm on July 7, 1988, the Berkeley County Commission will not hold court that day.

ORDERED COMMISSION RECESS TO MEET THURSDAY, JUNE 30, 1988 at 9:30 a.m.

Victor L. Shockey, President

Commission Minutes of June 30, 1988

Commission Met Pursuant to Recess

Present: Victor L. Shockey, President
Donald L. Bayer, Commissioner
John Evans Wright, Commissioner

Commission was opened with prayer offered by Rev. Caldwell N. Day, pastor of Arden Trinity Lutheran Church.

Bills against the county were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which is hereby made a part of this order.

IN RE: ERRONEOUS ASSESSMENTS - APPROVED

...1987 order was by mistake, this

STATE OF WEST VIRGINIA,
COUNTY OF BERKELEY, } *TO WIT:*

I, John W. Small, Jr., *Clerk of the County Court of Berkeley County, a Court of record in and for said County and State, do certify that the foregoing is a true, accurate and complete copy of* Commission minutes for March 22, 1990

as the same appears of record in the Office of the said Clerk of the County Court in Minute *Book No.* 31, *Page* 171.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said court, at my office, in said County, this 27th *day of* April, *19*90.

Clerk of the County Court of Berkeley County, W. Va.

19C

IN RE: RESIGNATION OF DONALD PANSLER FROM SEWER DISTRICT BOARD

Commissioner Kisner moved the Commission accept, with regret, the resignation of Donald Pansler from the Berkeley County Public Service Sewer District Board. Mr. Pansler has done an admirable job while serving on this Board.
Commissioner Wright seconded the motion. So ordered.

IN RE: ROGER GOODWIN - APPOINTED TO BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT BOARD

Commissioner Kisner made a motion to appoint Roger Goodwin to the Berkeley County Public Service Sewer District's Board, effective April 15, 1990.
Commissioner Wright seconded the motion. So ordered.

IN RE: DIANE NICKELSON - HIGHWAY SAFETY COORDINATOR

Commissioner Kisner made a motion for the Commission to appoint Diane Nickelson to the position of highway safety coordinator, effective April 1, 1990.
Commissioner Wright seconded the motion. So ordered.

IN RE: TRISTATE MEDICAL TRANSPORT

Commissioner Kisner made a motion for all remaining 911 bills generated by TriState Medical Transport while under contract with the County be turned over to Scott Everhart for collection, as requested, at the end of this month.
Commissioner Wright seconded the motion. So ordered.

IN RE: SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Norm Risavi: The Commission has received a letter from the Governor's Office of Community and Industrial Development concerning the Small Cities Community Development Block Grant Program coming up for a new round of proposals. The maximum amount of a grant without matching 50 percent local funds will be $500,000 and with matching 50 percent local funds $750,000. A new senior citizens center meets the criteria. We could possibly put up a piece of land for matching funds.

Commissioner Kisner made a motion to instruct Norm Risavi to proceed with the attempt to secure funding for a new senior citizens center through the Small Cities Community Development Block Grant Program.
Commissioner Wright seconded the motion. So ordered.

IN RE: ROBERT MASTERS - APPOINTED ASSISTANT CHIEF POLICE RESERVES

Commissioner Kisner made a motion for the Commission to appoint Robert Masters as assistant chief for the Police Reserves.
Commissioner Wright seconded the motion. So ordered.

IN RE: EXPANSION OF ENGINEERING DEPARTMENT

Norm Risavi: Included in Budget Amendment No. 8, the $100,000 annual contribution to the sewer district will be transferred to the County's engineering department for two inspectors, a technician, a draftsman and a secretary. We believe we can get these sewer projects moving with our own personnel. Additionally, an office manager for the sewer district is to be paid by the County but will report to the executive director.

Commissioner Kisner made a motion for the county engineer to advertise for the additional personnel for the engineering department.
Commissioner Wright seconded the motion. So ordered.

IN RE: PETITION TO CLOSE LEE PLACE

Dave DeJarnett: I would like to present to the Commission an amended application to close a portion of Lee Place. Since the hearing, which the prosecuting attorney's office has declared procedurally incorrect, we have discovered the crossroad on Lee Place is owned by Capital Cement. Therefore, we need to serve personal notice of the new hearing date on Capital Cement.

Commissioner Kisner made a motion for the Commission to accept the Application to close, vacate and abandon a portion of Lee Place.
Commissioner Wright seconded the motion. So ordered.

Commissioner Kisner made a motion for the Commission to accept the Amendment to the original Application to close a portion of Lee Place.
Commissioner Wright seconded the motion. So ordered.

The new public hearing for the closing of a portion of Lee Place has been scheduled for Thursday, April 12, 1990 at 10:30 a.m. in the Berkeley County Courthouse.

IN RE: GOOD NEIGHBOR AGREEMENT - POLLUTION PREVENTION ACTION PLAN

Janet Scalia: I can find no authorization which permits the County Commission to enter into any agreement or contract with private parties or individuals to do the duties the County Commission is mandated by law to do anyway. My advise to the County Commission is not to execute the Good Neighbor Agreement. We are currently engaged in litigation with LCS. The Commission did publicly void the Public Nuisance Ordinance and the prosecuting attorney told the Commission not to interfere until the County's Ordinances were broken.

I have no problem with the Commission attending public meeting for the purpose of informing itself of the public's sentiment. However, I strongly advise the Commission make no public comments whatsoever.

IN RE: NORTHWOOD RANCH - PAVING

Norm Risavi: House Bill 2046 was amended and it appears the procedure has been complicated to pave or make other improvements to roads, sidewalks, water or sewage treatment facilities. The new bill provides for a coupon bearing certificate over a 10-year period but does not permit the County Commission to fund it. We have no money to fund it up front. The question is the time frame in which the contractor will be paid. No contractor will do the job unless he receives payment at the completion and acceptance of the project.

Previously, a single loan was granted and liens were placed on the properties. After completion of the job, the Commission released the bonds and everyone was paid.

Dave Ranck: When it comes time for assessments, some residents would like to pay the entire bill while others would like to spread it out over the 10 years. Some residents who do not abut the road are still willing to contribute.

In reviewing the document, I agree plans and specifications should have been submitted. It is confusing how payment is to be made to the engineer who designs the plans and specifications. The engineering part would have to be done and taken care of at the time of

STATE OF WEST VIRGINIA,
COUNTY OF BERKELEY, } *TO WIT:*

I, John W. Small, Jr. *, Clerk of the County Court of Berkeley County, a Court of record in and for said County and State, do certify that the foregoing is a true, accurate and complete copy of* Official Oaths

Official
as the same appears of record in the Office of the said Clerk of the County Court in Oath
Book No. 2 *, Page* s 400, 414 and 466

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said court, at my office, in said County, this 27th *day of* April *, 19* 90

Clerk of the County Court of Berkeley County, W. Va.

20

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small,Jr., Clerk of the Court of the County and State aforesaid, personally appeared Maria L. Childers who has been duly appointed to the office of Fiduciary Supervisor for Berkeley County and took and subscribed the following:

I, Maria L. Childers, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Maria L.Childers, do solemnly swear that I will faithfully discharge the duties of the office of Fiduciary Supervisor for Berkeley County to the best of my skill and judgment. So help me God.

Maria L. Childers

Given under my hand this 1st day of July, 1987.

John W. Small, Jr.
Clerk of the County Court of Berkeley County.

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small,Jr., Clerk of the Court of the County and State aforesaid, personally appeared Gregory J. Scappini who has been duly appointed to the office of Deputy Sheriff in and for Berkeley County and took and subscribed the following:

I, Gregory J. Scappini, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Gregory J. Scappini, do solemnly swear that I will faithfully discharge the duties of the office of Deputy Sheriff in and for Berkeley County to the best of my skill and judgment. So help me God.

Gregory J. Scappini

Given under my hand this 9th day of July, 1987.

John W. Small,Jr.
Clerk of the County Court of Berkeley County.

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared Clarence L. Robinson who has been duly appointed to the office of Member Berkeley County Public Service Sewer District and took and subscribed the following:

I, Clarence L. Robinson, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Clarence L. Robinson, do solemnly swear that I will faithfully discharge the duties of the office of Member Berkeley County Public Sewer Service District to the best of my skill and judgment. So help me God.

Clarence L. Robinson

Given under my hand this 9th day of July, 1987.

John W. Small, Jr.
Clerk of the County Court of Berkeley County.

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared Jerry W. Cogle, Sr. who has been duly appointed to the office of Member Berkeley County Planning Commission and took and subscribed the following:

I, Jerry W. Cogle, Sr., do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Jerry W. Cogle, Sr., do solemnly swear that I will faithfully discharge the duties of the office of Member Berkeley County Planning Commission to the best of my skill and judgment. So help me God.

Jerry W. Cogle, Sr.

Given under my hand this 26th day of May, 1988

John W. Small, Jr.
Clerk of the County Court of Berkeley County.

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared Linda E. Barnhart who has been duly appointed to the office of Member Berkeley County Planning Commission and took and subscribed the following:

I, Linda E. Barnhart, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Linda E. Barnhart, do solemnly swear that I will faithfully discharge the duties of the office of Member Berkeley County Planning Commission to the best of my skill and judgment. So help me God.

Linda E. Barnhart

Given under my hand this 26th day of May, 1988

John W. Small, Jr.
Clerk of the County Court of Berkeley County.

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared Robert G. Criswell who has been duly appointed to the office of Member of Berkeley County Public Service Sewer District and took and subscribed the following:

I, Robert G. Criswell, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Robert G. Criswell, do solemnly swear that I will faithfully discharge the duties of the office of Member Berkeley County Public Service Sewer District to the best of my skill and judgment. So help me God.

Robert G. Criswell

Given under my hand this 27th day of June, 1988

John W. Small, jr.
Clerk of the County Court of Berkeley County.

Term expires: June 30, 1992

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared FAITH B. POWER who has been duly appointed to the office of Member of the Berkeley County Planning Commission and took and subscribed the following:

I, FAITH B. POWER, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, FAITH B. POWER, do solemnly swear that I will faithfully discharge the duties of the office of Member of the Berkeley County Planning Commission to the best of my skill and judgment. So help me God.

FAITH B. POWER

Given under my hand this 30th day of March, 19 90

John W. Small, Jr.
Clerk of the County Court of Berkeley County.

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared Sharon L. Potter who has been duly appointed to the office of Assistant Prosecuting Attorney in and for Berkeley County and took and subscribed the following:

I, SHARON L. POTTER, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, SHARON L. POTTER, do solemnly swear that I will faithfully discharge the duties of the office of Assistant Prosecuting Attorney in and for Berkeley County to the best of my skill and judgment. So help me God.

SHARON L. POTTER

Given under my hand this 2nd day of April, 19 90

John W. Small, Jr.
Clerk of the County Court of Berkeley County.

STATE OF WEST VIRGINIA,
Berkeley County, Sct.:

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared ROGER L. GOODWIN who has been duly appointed to the office of Member of Berkeley County Sewer District Board and took and subscribed the following:

I, ROGER L. GOODWIN, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, ROGER L. GOODWIN, do solemnly swear that I will faithfully discharge the duties of the office of Member of Berkeley County Sewer District Board to the best of my skill and judgment. So help me God.

ROGER L. GOODWIN

Given under my hand this 5th day of April, 19 90

John W. Small, Jr.
Clerk of the County Court of Berkeley County.

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
$1,400,000 Sewer Revenue Bonds and Sewage System Interim Borrowing

NOTICE IS HEREBY GIVEN to the residents of Berkeley County Public Service Sewer District, Berkeley County, West Virginia, that Berkeley County Public Service Sewer District intends to construct, operate and maintain certain public service properties, constituting sewerage facilities in the Highway 9 and Grapevine Road area of Berkeley County, Arden District, and consisting of collection mains, force mains, a sewer transmission main and seven pumping stations (the "Project") in Berkeley County Public Service Sewer District.

The District contemplates financing the Project in part through the issuance of its Sewer Revenue Bonds in the aggregate principal amount of not to exceed $1,500,000 (the "Bonds"), bearing interest at a rate not to exceed 12% and with maturities not to exceed 40 years and in part from fees to be charged to customers of the Project, grants from the United States Environmental Protection Agency, and, if available, revenues to be generated from the Project prior to completion of construction. The estimated cost of the Project, according to H.N.T.B., Consulting Engineers and Berkeley County Public Service Sewer District, is $4,000,000. The project is expected to serve approximately 450 customers when completed.

At or prior to commencement of construction of the Project, the District contemplates borrowing, on an interim basis from time to time, sums not the exceed $500,000 in the aggregate, such borrowings to be in the form of design notes, bond anticipation notes, grant anticipation notes, construction notes or some combination of the foregoing (collectively, the 'Notes'), or a letter or letters of credit from a commercial bank or banks. The Notes shall bear interest at a rate not to exceed 12% per annum, and shall have maturities not to exceed 48 months. All such interim borrowing will be temporary, and repayment of the Notes will be made from proceeds of the Notes, the Bonds, the aforesaid grants, construction charges, revenues of the Project or a combination of the foregoing.

As security for payment of the Notes, the District may obtain a letter or letters of credit from a commercial bank or banks for an amount not to exceed $500,000. In connection with obtaining such letter or letters of credit, the District may enter into agreements with such banks, obligating the District to reimburse such banks for any draw under the letter or letters of credit and to issue its sewerage system refunding notes in an amount equal to such draw to evidence such reimbursement obligation. Such refunding notes, if any, will bear interest at such rate or rates, not exceeding 12% per annum, payable on such dates; will mature on such date, not more than 48 months from the date of issuance thereof; will be redeemable; will be payable from the same sources as the Notes described above and will be subject to such other terms, all as will be set forth in such reimbursement agreement.

The rates to be charged by the District for sewer service are estimated not to exceed $7.00 per 1,000 gallons used, with an average bill not to exceed $31.50 and a minimum monthly bill estimated not to exceed $20.00. On all accounts not paid in full within 20 days of the date of bill, 10% will be added to the net amount shown. A one time connection fee of $250 will be charged to each new user of the system.

The District will file its formal application to the Public Service Commission of West Virginia for a Certificate of Convenience and Necessity for acquisition and construction of the Project on May 15, 1989.

3:14,21(21)

Certificate of Publication

RECEIVED
1989 MAR 27 PM 3:20
PUBLIC SERVICE COMMISSION
CHARLESTON, WV

This is to certify the annexed advertisement

Sewer Revenue Bond

appeared for 2 consecutive days/weeks in EVENING JOURNAL PUBLISHING CO. a newspaper published in the City of Martinsburg, W. Va., in its issue beginning

March 14

and ending

March 21

THE EVENING JOURNAL

E. Page Burdette

Fee $114.00

21A

KAUFFELT

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, in the City of Charleston on the 22nd day of May, 1989.

CASE NO. 88 579 S-CN

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public utility, Berkeley County.

Application for a certificate of convenience and necessity to construct, operate and maintain certain public service properties, constituting sewerage facilities in the Highway 9 and Grapevine Road area of Berkeley County, Arden District.

NOTICE OF FILING

WHEREAS, on May 22, 1989, Berkeley County Public Service Sewer District, a public utility, Berkeley County, filed an application, duly verified, for a certificate of convenience and necessity to construct, operate and maintain certain public service properties, constituting swerage facilities in the Highway 9 and Grapevine Road area of Berkeley County, Arden District, and consisting of collection mains, force mains, a sewer transmission main and seven pumping stations in Berkeley County; and

WHEREAS, Berkeley County Public Service Sewer District estimates that construction will cost $4,000,000, and will be financed as follows: Environmental Protection Agency Grant $2,135,000; Water Development Authority Loan $1,500,000; Berkeley County Commission Contribution $350,000; and Tap Fees $15,000; and

WHEREAS, Berkeley County Public Service Sewer District has requested approval of the following rates and charges:

RATES: $7.00 per thousand gallons

MINIMUM CHARGE: No bill will be rendered for less than $20.00 per month.

UNMETERED CHARGE: $31.50

SERVICE CONNECTION FEE: $200.00 (during construction); $250.00 (after construction)

Pursuant to Section 24 2 11, West Virginia Code, IT IS ORDERED that Berkeley County Public Service Sewer District, a public utility, give notice of the filing of said application by publishing a copy of this order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in the City of Martinsburg, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to make objection to said application must do so in wiritng, within thirty (30) days after the publication of this notice.

IT IS FURTHER ORDERED that of no protests are received within said 30-day period, the Commission may waive formal hearing and grant the application of Berkeley County Public Service Sewer District, based on the evidence submitted with said application and its review thereof.

A True Copy, Teste:
Howard M. Cunningham
Executive Secretary
5:30(1t)

Certificate of Publication

This is to certify the annexed advertisement

...Notice...of...Filing.....

.....

appeared for 1 consecutive days/weeks in EVENING JOURNAL PUBLISHING CO. a newspaper published in the City of Martinsburg, W. Va., in its issue beginning

May 30th

and ending

.....

THE EVENING JOURNAL

E. Page Ruddle

Fee $47.25

RULES OF PROCEDURE

Berkeley County PUBLIC SERVICE Sewer District

ARTICLE I
NAME AND PLACE OF BUSINESS

Section 1. Name: Berkeley County PUBLIC SERVICE Sewer DISTRICT

Section 2. The principal office of this Public Service District will be located at 2160 Eagle School Road, Martinsburg, West Virginia.

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

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

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

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

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the 2nd Monday of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

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

Section 3. Unless otherwise waived, notice to members by letter or telephone shall be required for regular meetings. Unless otherwise waived, notice in writing of each special meeting of the membership shall be given to all members by the Secretary by mailing the same to the last known post office addresses of the members at least 3 days before the date fixed for such meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended, notice of the time and place of all regularly scheduled sessions of such Public Service Board, and the time, place and purpose of all special sessions of such Public Service Board, shall be made available, in advance, to the public and news media as follows:

A. A notice shall be posted by the Secretary of the Public Service Board of the Public Service District at the front door of the Berkeley County Courthouse and at the front door of the place fixed for the regular meetings of the Public Service Board of the time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled sessions. If a particular regularly scheduled session is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the front doors of the Courthouse and the meeting place as soon as feasible after such cancellation or postponement has been determined upon.

B. A notice shall be posted by the Secretary of the Public Service Board at the front door to the Berkeley County Courthouse and at the front door of the place fixed for the regular meetings of the Public

Service Board at least 48 hours before a special session is to be held, stating the time, place and purpose for which such special session shall be held. If the special session is cancelled, a notice of such cancellation shall be posted at the front doors of the Courthouse and the meeting place as soon as feasible after such cancellation has been determined upon.

C. The form of notice for posting as to a special session may be generally as follows:

Berkeley County PUBLIC SERVICE Sewer District

NOTICE OF SPECIAL SESSION

The Public Service Board of Berkeley Co. Public Service Sewer District will meet in special session on _____, at _____ .m., prevailing time, at _____, West Virginia, for the following purposes:

1. To consider and act upon a proposed Bond Authorizing Resolution providing for the issuance of a _____ Bond, Series _____, of the District, in the principal amount of $_____, to provide funds for construction of _____ facilities of the District.

2.

_____
Secretary

Date: _____

ARTICLE V

OFFICERS

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

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in the month of January of such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public

Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

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

Section 2. If the Chairman is absent from any meeting, the remaining members of the Board shall select a temporary chairman.

Section 3. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. He shall, together with the Chairman, sign the minutes of the meetings at which he is present. The Secretary shall have charge of the minute book, be the custodian of deeds and other writings and papers of the Board. He shall also perform such other duties as he may have under law by virtue of his office or as may be conferred upon him from time to time by the members of the Board.

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment or addition shall be made at any special meeting

unless notice of the intention to propose such change, alteration, amendment or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

03/23/90
FORMS/NOTICE/N

MINUTES OF ORGANIZATIONAL MEETING FOR CURRENT YEAR

On April 9, , 1990, a meeting was held at office of BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT Martinsburg, West Virginia, to nominate and reelect officers for the year 1990 for Berkeley County Public Service Sewer District Board.

The meeting was called to order by presiding Chairman, Donald Fansler, and the following people were nominated and elected to the following offices:

Chairman	-	Robert G. Criswell
Secretary	-	Roger Goodwin
Treasurer	-	Clarence L. Robinson

After business of electing officers was completed, the motion was made and seconded that the meeting be adjourned.

BERKELEY COUNTY PUBLIC
SERVICE SEWER DISTRICT

Roger A. Goodwin

Robert G. Criswell

C. L. Robinson

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

MINUTES ON ADOPTION OF BOND AND NOTES
RESOLUTION AND SUPPLEMENTAL RESOLUTION

I, ROGER LEE GOODWIN, SECRETARY of the Public Service Board of Berkeley County Public Service Sewer District, hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Berkeley County Public Service Sewer District met in special session, pursuant to notice duly posted, on the 30th day of April, 1990, at Martinsburg, West Virginia, at the hour of 6:30 p.m.

PRESENT:	Robert G. Criswell	-	Member and Chairman
	Roger Lee Goodwin	-	Member and Secretary
	Hoy G. Shingleton	-	Attorney for District

ABSENT: Clarence L. Robinson

Mr. Criswell, Chairman, presided, and Mr. Goodwin acted as Secretary.

The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it. Thereupon, the Chairman presented a revised Rules of Procedure for the notice and conduct of meetings of the Public Service Board. There was discussion and upon motion by Mr. Goodwin, seconded by Mr. Criswell, such Rules of Procedure were unanimously approved.

Thereupon the Chairman presented a proposed Bond and Notes Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN

AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN $300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, AND NOT MORE THAN $1,500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; 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; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion of Mr. Goodwin, seconded by Mr. Criswell, it was unanimously ordered that the said Bond and Notes Resolution be adopted and be in full force and effect on and from the date hereof.

The Chairman then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1990 A AND SERIES 1990 B OF BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT; 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.

and caused the same to be read and there was discussion. Thereupon, on motion of Mr. Goodwin, seconded by Mr. Criswell, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

*** *** ***

I hereby certify that the foregoing action of said Public Service Board remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 3rd day of May, 1990.

Secretary, Berkeley County Public Service Sewer District, Public Service Board

05/02/90
BCPSSDJ.P2
06774/89001

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

TELECOPIER (304) 624-8183

CHARLESTON OFFICE
715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25326
(304) 342-2191
TELECOPIER (304) 342-0726

MORGANTOWN OFFICE
1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
TELECOPIER (304) 598-8116

MARTINSBURG OFFICE
126 EAST BURKE STREET
MARTINSBURG, W. VA. 25401
(304) 263-6991
TELECOPIER (304) 263-4785

CHARLES TOWN OFFICE
104 WEST CONGRESS STREET
P. O. BOX 100
CHARLES TOWN, W. VA. 25414
(304) 725-1414
TELECOPIER (304) 725-1913

CHARLES W. YEAGER
CARL F. STUCKY, JR.
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
OTIS L. O'CONNOR
ROBERT G. STEELE
J. LEE VAN METRE, JR.
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES R. WATSON
JAMES D. GRAY
DOUGLAS S. ROCKWELL
VINCENT A. COLLINS
JAMES A. RUSSELL
LUCIEN G. LEWIN
WILLIAM T. BELCHER
MICHAEL L. BRAY
JAMES D. STEPTOE
DAVID C. CLOVIS
DANIEL R. SCHUDA
J. GREG GOODYKOONTZ
IRENE M. KEELEY
EVANS L. KING, JR.
WALTER L. WILLIAMS
SUSAN S. BREWER
SPRAGUE W. HAZARD
HERSCHEL H. ROSE III
DAVID LAYVA
GRAY SILVER III
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
J. ROBERT GWYNNE
WILLIAM E. GALEOTA
CHRISTOPHER P. BASTIEN
GORDON H. COPLAND
RANDALL C. LIGHT
STEVEN P. McGOWAN

RICHARD M. YURKO, JR.
GARY W. NICKERSON
CURTIS G. POWER III
STEPHEN R. KERSHNER
W. RANDOLPH FIFE
MARTIN R. SMITH, JR.
LOUIS E. ENDERLE, JR.
ROBERT J. SCHIAVONI
JOHN K. DORSEY
WALTER WASHINGTON
JOSEPH R. FERRETTI
MARK E. KINLEY
MARCIA J. POLLARD
BRYAN R. COKELEY
PATRICK D. KELLY
FRANCESCA TAN
CHRISTINE S. VAGLIENTI
WILLIAM P. YOUNG
DAVID M. HAMMER
WILLIAM F. ROHRBAUGH
CAROLINE J. STAFFORD
MATTHEW J. MULLANEY
BRENT O. BURTON
PAUL R. CRANSTON
JONATHAN P. JESTER
GRACE J. WIGAL
GINA M. HOUSEHOLDER
MICHAEL KOZAKEWICH, JR.
CYNTHIA R. TRIBBLE

OF COUNSEL
RALPH BOHANNON
ROGER J. PERRY

WRITER'S DIRECT DIAL NUMBER

May 4, 1990

Berkeley County Public Service Sewer District
Sewer Revenue Bonds, Series 1990 A and Series 1990 B

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Philadelphia, Pennsylvania 19255

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned bond issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

Vincent A. Collins

Enclosure
Copy of letter with enclosure to:
Mr. Brad Hansen

05/01/90
BCPSSDJ.V2
06774/89001

Form **8038-G** (Rev. October 1989) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Section 149(e)
▶ See separate Instructions
(Use Form 8038-GC if the issue price is under $100,000)

OMB No. 1545-0720
Expires 5-31-92

Part I Reporting Authority

Check box if **Amended Return** ▶ ☐

1 Issuer's name: BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

2 Issuer's employer identification number: 5550625031-4

3 Number and street: 2160 Eagle School Road

4 Report number: G1990 - 1

5 City or town, state, and ZIP code: Martinsburg, West Virginia 25401

6 Date of issue: May 3, 1990

7 Name of Issue: Sewer Revenue Bonds, Series 1990 A

8 CUSIP Number: N/A

Part II Type of Issue (check box(es) that applies and enter the Issue Price)

		Issue price
9	Check box if obligations are tax or other revenue anticipation bonds ▶ ☐	
10	Check box if obligations are in the form of a lease or installment sale ▶ ☐	
11	☐ Education	$
12	☐ Health and hospital	
13	☐ Transportation	
14	☐ Public safety	
15	☐ Environment (including sewage bonds)	$828,629
16	☐ Housing	
17	☐ Utilities	
18	☐ Other. Describe (see Instructions) ▶	

Part III Description of Obligations

		(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19	Final maturity	10/1/29	7.85 %	$ 63,654	$ 63,654			
20	Entire issue			$828,629	$828,629	28.46 years	7.85 %	7.85 %

Part IV Uses of Original Proceeds of Bond Issues (including underwriters' discount)

21	Proceeds used for accrued interest			21	-0-
22	Issue price of entire issue (enter line 20c)			22	$828,629
23	Proceeds used for bond issuance costs (including ~~underwriters' discount~~ capitalized interest)	23	$76,047		
24	Proceeds used for credit enhancement	24	-0-		
25	Proceeds allocated to reasonably required reserve or replacement fund	25	-0-		
26	Proceeds used to refund prior issues	26	-0-		
27	Total (add lines 23, 24, 25, and 26)			27	$ 76,047
28	Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)			28	$752,582

Part V Description of Refunded Bonds (complete this part only for refunding bonds)

29 Enter the remaining weighted average maturity of the bonds to be refunded ▶ N/A years

30 Enter the last date on which the refunded bonds will be called ▶ N/A

31 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

32 Enter the amount of the state volume cap allocated to the issue ▶ -0-

33 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception) ▶ -0-

34 Pooled financings:

a Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units ▶ -0-

b Check box if this issue is a loan made from the proceeds of another tax-exempt issue ▶ ☐ and enter the name of the issuer ▶ W. Va. Water Development Authority and the date of the issue ▶ 12/27/89

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Robert G. Criswell — Signature of officer

May 3, 1990 — Date

Chairman — Type or print name and title

For Paperwork Reduction Act Notice, see page 1 of the Instructions.

Form **8038-G** (Rev. 10-89)

*U.S. Government Printing Office: 1989-262-151/00019

ALL-STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE ORD, NEW JERSEY 07016

ED 1140

WV MUNICIPAL BOND COMMISSION
Suite 337 Building 3
1800 Washington St. E
State Capitol Complex
Charleston, WV 25305
(304) 348-3971

Series 1990 A

NEW ISSUE REPORT FORM

Date of Report: 5/3/90

(See Reverse for Instructions)

ISSUE: BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, Sewer Revenue Bonds, Series 1990 A

ADDRESS: 2160 Eagle School Road COUNTY: Berkeley

PURPOSE OF ISSUE: New Money X / Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: 5/3/90 CLOSING DATE: 5/3/90

ISSUE AMOUNT: $ 828,629 RATE: 7.85%

1st DEBT SERVICE DUE: 10/1/90 1st PRINCIPAL DUE: 10/1/91

1st DEBT SERVICE AMOUNT: $26,741.70 PAYING AGENT: Municipal Bond Commission

ISSUERS

BOND COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins, Esq.
Phone: 624-8161

CLOSING BANK: One Valley Bank of Martinsburg, N.A.
Contact Person: Steve Cox, Sr. V.P.
Phone: 263-8944

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Brad Hansen
Position: Executive Director
Phone: 263-1279

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly
Contact Person: Samme L. Gee, Esq.
Phone: 340-1318

ESCROW TRUSTEE: One Valley Bank, N.A.
Contact Person: Charlotte Morgan
Phone: 348-7239

OTHER: ____
Contact Person: ____
Function: ____
Phone: ____

DEPOSITS TO MBC AT CLOSE:

By ____ Wire
X Check

____ Accrued Interest: $ ____
X Capitalized Interest: $ 65,047
____ Reserve Account: $ ____
____ Other: ____ $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $ ____
____ To Issuer: $ ____
____ To Cons. Invest. Fund: $ ____
____ To Other: ____ $ ____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: ____

TRANSFERS REQUIRED: ____

26A

WV MUNICIPAL B J COMMISSION
Suite 337 Building 3
1800 Washington St. E
State Capitol Complex
Charleston, WV 25305
(304) 348-3971

Series 1990 B

NEW ISSUE REPORT FORM

Date of Report: 5/30/90

(See Reverse for Instructions)

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

ISSUE: Sewer Revenue Bonds, Series 1990 B

ADDRESS: 2160 Eagle School Road; Martinsburg, WV 25401 COUNTY: Berkeley

PURPOSE OF ISSUE: New Money X / Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: 5/3/90 CLOSING DATE: 5/3/90

ISSUE AMOUNT: $ 38,669 RATE: 0%

1st DEBT SERVICE DUE: 10/1/91 1st PRINCIPAL DUE: 10/1/91

1st DEBT SERVICE AMOUNT: $991.62 PAYING AGENT: Municipal Bond Commission

ISSUERS	UNDERWRITERS
BOND COUNSEL: Steptoe & Johnson	BOND COUNSEL: Jackson & Kelly
Contact Person: Vincent A. Collins, Esq.	Contact Person: Samme L. Gee, Esq.
Phone: 624-8161	Phone: 340-1318
CLOSING BANK: One Valley Bank of Martinsburg, N.A.	ESCROW TRUSTEE: One Valley Bank, N.A.
Contact Person: Steve Cox, Sr. V.P.	Contact Person: Charlotte Morgan
Phone: 263-8944	Phone: 348-7239
KNOWLEDGEABLE ISSUER CONTACT	OTHER:
Contact Person: Brad Hansen	Contact Person:
Position: Executive Director	Function:
Phone: 263-1279	Phone:

DEPOSITS TO MBC AT CLOSE:

By ____ Wire
____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $
____ To Issuer: $
____ To Cons. Invest. Fund: $
____ To Other: $

NOTES:

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED:

TRANSFERS REQUIRED:

26B

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

ARCH A. MOORE, JR.
Governor

RONALD R. POTESTA
Director

ROBERT K. PARSONS
Deputy Director

August 31, 1987

Mrs. Catherine A. Mastropieri, Chief
Grants Management Branch
Environmental Protection Agency
Region III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

RE: Berkeley County PSSD
C-540393-05

Dear Mrs. Mastropieri:

Transmitted is the Step III Application for the above referenced project.

The project is in the fundable portion of FY87 priority list with a rating of 200.06. The State certifies there are sufficient reserves to fund the request. The allowable project cost of $2,933,900 reflects an EPA Grant of $1,613,640.

This application is complete except for the executed intermunicipal service agreement with the City of Martinsburg. The District has submitted to the Regional Administrator a request for a waiver from this requirement as allowed in 40 CFR 35.2107. A copy is enclosed with this application. The State concurs with the request for a waiver from this requirement.

Should you have any questions, please contact Rosalie Ortega of my staff at (304) 348-0637.

Sincerely,

CONSTRUCTION GRANTS BRANCH

Mike Johnson

Mike Johnson, P.E.
Branch Head

MJ/ROa

Enclosures

cc: Berkeley Co. PSSD
Camp, Dresser & McKee
Ed Henry, WDA

COMMITMENT NOTICE

NOTE: Preparation and approval of this form does not constitute an obligation of money. The use of this form is intended to guarantee availability of money by reserving it for certain types of specified transactions.

THIS COMMITMENT TRANSACTION IN THE AMOUNT OF $ 1,613,640 (WHOLE DOLLARS) IS FOR:

[X] GRANT (Number C-540393-09) [ ] A PURCHASE REQUISITION [ ] A CONTRACT

[ ] OTHER (Specify):

DESCRIPTION OF PROJECT, GOODS, OR SERVICES

NAME OF GRANTEE/CONTRACTOR/VENDOR	EMPLOYER IDENT. NO. (EIN)
Berkeley County Public Service Sewer District	

TASK, ROAP, OR OTHER LOCAL IDENTIFIER

212 South College Street, Martinsburg, West Virginia 25401

SPECIAL COMMENTS OR INSTRUCTIONS

ALLOWANCE HOLDER APPROVALS (Optional, at discretion of Allowance Holder)

ALLOWANCE HOLDER TITLE

STAFF APPROVALS

SIGNATURE	DATE	PHONE

RESPONSIBILITY CENTER TITLE
Grants Management Branch

FUNDS CERTIFICATION

PREPARED BY	APPROVED BY
SIGNATURE: Phyllis Baer	SIGNATURE: Veronica Kuczynski
DATE: August 31, 1987	DATE:

FOR RESPONSIBILITY CENTER USE ONLY

Contract negotiator is [ ] is not [ ] authorized to exceed amount shown above by up to 10% without securing further approval for funds.

THE AMOUNT OF MONEY SHOWN IS:
[X] AN ORIGINAL COMMITMENT [ ] AN INCREASE TO A PREVIOUS COMMITMENT [ ] A DECREASE TO A PREVIOUS COMMITMENT

FINANCIAL DATA (See instructions on reverse before filling out) — APPROPRIATION:

FMO USE	DOCUMENT CONTROL NO.	ACCOUNT NUMBER	OBJECT CLASS	DOLLAR AMOUNT
2 0 4 0			4100	00
2 0 4 0			4100	00
2 0 4 0			4100	00
2 0 4 0			4100	00

EPA Form 2550-9 (Rev. 4-74) PREVIOUS EDITION IS OBSOLETE

State Certifications

(These certifications are to be completed by the State. They may be detached from the application form and submitted separately.)

General Certifications

The State Water Pollution Control Agency hereby certifies, in accordance with the approved State priority system (40 CFR 35.2015) and list accepted thereunder, that the project is entitled to priority for Federal assistance for the amount requested from available funds under Title II of the Clean Water Act. The Agency also certifies that there has been adequate public participation as required by 40 CFR 6, subpart E, and 35.2040(a)(2) or (b)(2), as appropriate.

Typed name of Director	Signature of Director
David W. Robinson, Chief	David W Robinson
State Water Pollution Control Agency Department of Natural Resources Division of Water Resources	**Date** Aug. 31, 1987

Certification Under Delegation Agreements

By authority delegated to this State by 40 CFR Part 35, Subpart J and by the EPA/State Delegation Agreement, the State Agency certifies that this project and the grant conform with all applicable laws and regulations. *(This certification does not apply if the State has not signed a delegation agreement under Section 205(g) of the Clean Water Act.)*

Typed name of Director	Signature of Director
David W. Robinson, Chief	David W Robinson
State Water Pollution Control Agency Department of Natural Resources Division of Water Resources	**Date** Aug. 31, 1987

RE: Berkeley County Public Service Sewer District
C-540393-05

U.S. ENVIRONMENTAL PROTECTION AGENCY
EPA ASSISTANCE AGREEMENT/AMENDMENT
PART I - ASSISTANCE NOTIFICATION INFORMATION

C-540393-05-0 | Three-C
DATE OF AWARD: SEP 25 1987 | 4. MAILING DATE: OCT 02 1987

5. AGREEMENT TYPE		6. PAYMENT METHOD	
Cooperative Agreement		☐ Advance ☒ Reimbursement ☐ Letter of Credit	
Grant Agreement	X	Send Payment Request To: Grants Management Branch	7. TYPE OF ACTION: Continuation
Assistance Amendment			

RECIPIENT ORGANIZATION

8. RECIPIENT
Berkeley County Public Service Sewer District
212 South College Street
Martinsburg, West Virginia 25401

9. PAYEE
Berkeley County Public Service Sewer District
212 South College Street
Martinsburg, West Virginia 25401

RECEIVED
OCT 20 1987
Construction Grants Branch

EIN NO.:
CONGRESSIONAL DISTRICT: 2nd

10. RECIPIENT TYPE: Public Service District

11. PROJECT MANAGER AND TELEPHONE NO.
Bernard H. Morningstar, Chairman
(304) 263-8566

12. CONSULTANT (WWT Construction Grants Only)
Camp, Dresser & McKee
7630 Little River Turnpike
Annandale, Virginia 22003
(703) 642-5500

EPA CONTACT

13. ISSUING OFFICE (City/State)
Philadelphia, Pennsylvania

14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.
R. Fenton Roudabush, Chief
Virginia-West Virginia Section
(215) 597-9131

15. EPA CONGRESSIONAL LIAISON & TEL. NO.	16. STATE APPL ID (Clearinghouse)	17. FIELD OF SCIENCE	18. PROJECT STEP (WWT CG Only)
Patricia Gaskins (202)382-5184		N/A	III

19. STATUTORY AUTHORITY	20. REGULATORY AUTHORITY	21. STEP 2 + 3 & STEP 3 (WWT Construction Only)	
Clean Water Act, Title II	40 CFR Parts 30 & 35	a. Treatment Level	1
		b. Project Type	NEW
		c. Treatment Process	N
		d. Sludge Design	S

22. PROJECT TITLE AND DESCRIPTION: Construction of sewage collection system including 22,000 LF of 8" sewer, 5,400 LF of force main, 6 pumping stations and appurtenances discharging into the Martinsburg wastewater treatment plant. 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.

23. PROJECT LOCATION (Areas Impacted by Project)

City/Place	County	State	Congressional District
Wheatland/Highway 9 South	Berkeley	WV	2nd

24. ASSISTANCE PROGRAM (CFDA Program No. & Title)	25. PROJECT PERIOD	26. BUDGET PERIOD
66.418	09/87 - 04/90	N/A

27. COMMUNITY POPULATION (WWT CG Only)	28. TOTAL BUDGET PERIOD COST	29. TOTAL PROJECT PERIOD COST
1,015	N/A	2,933,900

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
30. EPA Amount This Action		1,613,640	
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		2,933,900	

39. FISCAL

Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deobllg. Amount
GSAW80	87	68X0103.K	W87009	7 GSA036006	41.11	$1,613,640

PART II–APPROVED BUDG ASSISTANCE IDE FICATION NO.

TABLE A – OBJECT 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)	
1. ADMINISTRATION EXPENSE	29,365
2. PRELIMINARY EXPENSE	
3. LAND STRUCTURES, RIGHT-OF-WAY	
4. ARCHITECTURAL ENGINEERING BASIC FEES	190,072
5. OTHER ARCHITECTURAL ENGINEERING FEES	9,414
6. PROJECT INSPECTION FEES	254,303
7. LAND DEVELOPMENT	
8. RELOCATION EXPENSES	
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES	
10. DEMOLITION AND REMOVAL	
11. CONSTRUCTION AND PROJECT IMPROVEMENT	2,215,021
12. ~~EQUIPMENT~~ Survey & Audit	14,316
13. MISCELLANEOUS	
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	221,409
19. TOTAL (Share: Recipient 45 % Federal 55 %)	2,933,900
20. TOTAL APPROVED ASSISTANCE AMOUNT	$ 1,613,640

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

Payments shall be made in accordance with 40 CFR 35.2300.

2. Project Schedule

EPA's policy requires that projects be initiated, constructed, and placed in operation in a timely manner. For that reason, the schedule shown below, which was developed in conjunction with your grant application, is included as a special condition. The grantee is expected to take all appropriate actions to ensure that this schedule is maintained.

In the event that the project is delayed for reasons beyond the control of the grantee, this schedule may be revised. If the delay arises from mismanagement and could otherwise have been avoided, the schedule will not be revised, in which case EPA will be compelled to determine if ineligible incremental costs have been incurred as a result.

3. Project Initiation (40 CFR 35.2212)

Construction is expected to be initiated on the following schedule.

Failure of the grantee to initiate construction of all major contracts within 12 months of the award of this grant will result in disallowance of incremental costs in accordance with 40 CFR 35.2212, "Project Initiation".

		Date	
Bid Advertisement	10/87		
Construction Contract Award	12/87		
Construction Start (NTP)	01/88		

4. Grant Payment Milestones (40 CFR 35.2206)

Grant payments cannot exceed 50% of the Federal share unless the grantee has furnished a satisfactory final plan of operation, and cannot exceed 90% unless the grantee has furnished a satisfactory Operations and Maintenance Manual. The following dates represent an estimate of the timing of those payments.

Final Plan of Operation Approval	06/88
Operation and Maintenance Manual Approval	06/88

5. Notice of Building Completion (40 CFR 35.2216)

Grantee agrees to notify the State when construction is completed and also agrees to submit a preliminary final payment request on schedule.

Grantee's request to State for final physical inspection	03/89
Preliminary Final Payment Request	03/89

6. Project Performance (40 CFR 35.2218)

Federal Regulations place special emphasis on the performance of the project. It is vitally important that the facility performs as designed and on schedule. The grantee, therefore, agrees to initiate operation and certify performance by the dates below. It is likewise important that the final Federal share of the project be determined at the earliest possible date. The grantee, therefore, agrees to submit its request for final payment in accordance with this schedule.

Initiation of Operation	04/89
Project Performance Certification	04/90
Final Payment Request	04/90

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 Agreement 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. Advertisement for Bids

Prior to the advertisement for construction bids, the grantee agrees to submit to the Regional Administrator for approval the following:

A draft plan of operation (40 CFR 35.2106);

An executed intermunicipal service agreement (40 CFR 35.2107); and

Final design drawings and specifications (40 CFR 35.2040 (b)(5)).

12. MBE/WBE Requirements

The recipient agrees to submit to the Chief, Construction Grants Branch, attn: EEO Specialist, EPA, Region III, a completed Standard Form-334 within 15 days after the end of each Federal fiscal quarter during which the recipient or its contractors award any subagreements for building and building-related services and supplies.

13. Force Account Work

Pursuant to 40 CFR 30.645 the grantee may utilize the Force Account Method, in lieu of any subagreement for project inspection and technical services, as outlined in the grantee's application dated 8/3/87. The grantee acknowledges and agrees that the use of the Force Account Method in no way relieves the grantee of its obligations to fully comply with all applicable Federal laws, regulations and guidelines. The grantee may submit billings for the allowable indirect costs incurred during the project period, utilizing the negotiated provisional overhead rate of .20, in the absence of an audit approved rate. Upon completion of this project, a final overhead rate shall be established based on an EPA audit.

14. Public Participation

Additional public participation is required to inform prospective users of the expected costs and rates. The grantee shall submit to the DNR project officer, within 2 months, a plan/schedule for conducting the additional public participation.

15. Audit Requirement

The recipient agrees that it will comply with the provisions of OMB Circular A-128 governing the audit of State and local government recipients of Federal assistance for fiscal years that begin after December 31, 1984. (This requirement replaces 40 CFR 30.540(b) which is based on OMB Circular A-102, Attachment P.)

16. Eligibility Agreement

The grantee and the Environmental Protection Agency agree, pursuant to section 203 (a)(2) of the Clean Water Act, that only those items specified in the project description (scope) portion of the grant agreement are eligible for Federal participation in accordance with 40 CFR Part 35.2250 (determination of allowable costs).

b. SPECIAL CONDITIONS (Continued)

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 Berkeley County Public Service Sewer District (RECIPIENT ORGANIZATION) for 55 % of all approved costs incurred up to and not exceeding $ 1,613,640 (ASSISTANCE AMOUNT) for the support of approved budget period effort described in application *(including all application modifications)* C-540393-05 Berkeley County Public Service Sewer District (DATE AND TITLE) included herein by reference.

ISSUING OFFICE (Grants Administration Office)	AWARD APPROVAL OFFICE
ORGANIZATION/ADDRESS Environmental Protection Agency Grants Management Branch (3PM70) 841 Chestnut Building Philadelphia, Pennsylvania 19107	ORGANIZATION/ADDRESS Environmental Protection Agency Water Management Division (3WM00) 841 Chestnut Building Philadelphia, Pennsylvania 19107

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
	James M. Seif, Regional Administrator	SEP 25 1987

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 I, 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.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
	Bernard H. Morningstar, Chairman	10/20/1987

EPA Form 5700-20A (Rev. 6-82)

STATE OF WEST VIRGINIA
DEPARTMENT OF COMMERCE, LABOR AND ENVIRONMENTAL RESOURCES
DIVISION OF NATURAL RESOURCES
WATER RESOURCES SECTION
1201 Greenbrier Street
Charleston, West Virginia 25311
Telephone (304)348-2107

GASTON CAPERTON
Governor

J. EDWARD HAMRICK III
Director

LARRY W. GEORGE
Deputy Director

April 25, 1990

Mr. Robert Criswell, Chairman
Berkeley County Public Service
Sewer District
P. O. Box 944
Martinsburg, West Virginia 25401

RE: Berkeley Co. PSSD
C-540393-05

Dear Mr. Criswell:

You are hereby advised that the bidding procedures for Contract HS1 have been reviewed and approved. The contract may now be awarded to the low, responsive bidder, Mendon Pipeline, Incorporated, as indicated by the proposal you have submitted.

Certain construction activities have been assigned to our Engineering Section. You will be contacted by a representative of this section in the near future.

The Part B documents that you submitted are being reviewed by this office. The official approval letter and the grant amendment are currently being processed and will be forwarded under separate cover. The total Eligible project costs are $2,391,800 reflecting an EPA grant of $1,315,490.

Should you have any questions, please contact Rosalie Ortega or Ed Burdette at (304) 348-0637.

Sincerely,

CONSTRUCTION ASSISTANCE BRANCH

Mike Johnson

Mike Johnson, P. E.
Branch Head

MJ/pfa

cc: Chuck Fogg, EPA
Dennis Yankosky, WDA

77 R

ALL-STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE CRANFORD, NEW JERSEY 07016 ED 11-20

COUNTY ADMINISTRATOR

BERKELEY COUNTY • WEST VIRGINIA

COUNTY COURT HOUSE ANNEX No. 1
119 WEST KING STREET - ROOM 14
TEL. 304 267-3000 EXT. 213

MARTINSBURG, WEST VIRGINIA 25401

March 24, 1989

Mr. Donald Fanzler, Chairman
Berkeley County Public Service Sewer District
P. O. Box 944
2160 Eagle School Road
Martinsburg, West Virginia 25401

SUBJECT: HIGHWAY 9 SEWER PROJECT

Dear Mr. Fanzler:

We have received the district's correspondence concerning the county commission's contribution towards the Highway 9 sewer project. The county commission has reserved and encumbered $350,000 in a newly created water/sewer improvement fund solely for the Route 9 South/Pikeview Acres sewer project.

The information included in your filing with the Public Service Commission is an accurate reflection of the county commission's participation in these projects.

Sincerely,

Norm Risavi
County Administrator

NR/dp

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

ACCEPTANCE OF DUTIES OF REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 1990 A and Series 1990 B, all dated May 3, 1990, in the aggregate principal amount of $867,298 and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Local Act authorizing issuance of the Bonds.

Dated this 3rd day of May, 1990.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By _____
Its Corporate Trust Administrative Officer

05/01/90
BCPSSDJ.Q2
06774/89001

One Valley Bank
110 West King Street
Martinsburg, WV 25401
(304) 263-8944

ONE VALLEY BANK

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

ONE VALLEY BANK OF MARTINSBURG, N.A., a national banking association, with principal office in the City of Martinsburg, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond and Notes Resolution of Berkeley County Public Service Sewer District, adopted April 30, 1990, authorizing issuance of the District's Sewer Revenue Bonds, Series 1990 A and Series 1990 B, both dated May 3, 1990, in the aggregate principal amount of $876,298 (collectively, the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Resolution.

Dated this 3rd day of May, 1990.

ONE VALLEY BANK OF MARTINSBURG, N.A.

By: _____

Its: Senior Vice President

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

CERTIFICATE OF REGISTRATION OF BONDS

I, CHARLOTTE S. MORGAN, Corporate Trust Administrative Officer of ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar under the Local Act and Registrar's Agreement providing for the $867,298 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B, of Berkeley County Public Service Sewer District (the "Issuer"), hereby certify that on the 3rd day of May, 1990, the single fully registered Series 1990 A Bond of the Issuer in the principal amount of $828,629 designated "Sewer Revenue Bond, Series 1990 A," numbered AR-1, and the single fully registered Series 1990 B Bond of the Issuer in the principal amount of $38,669 designated "Sewer Revenue Bond, Series 1990 B," numbered BR-1, were registered as to principal and interest (the Series 1990 B Bond being registered as to principal only) in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature as of this 3rd day of May, 1990.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By _____
Its Corporate Trust Administrative Officer

05/01/90
BCPSSDJ.S2
06774/89001

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 3rd day of May, 1990, by and between BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $867,298 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B, in fully registered form (collectively, the "Bonds"), pursuant to a Bond and Notes Resolution adopted April 30, 1990, and a Supplemental Resolution adopted April 30, 1990 (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 Issuer of a Registrar for the Bonds; and

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

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

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Local Act with respect to the 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.

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

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

ISSUER: Berkeley County Public Service Sewer District
P. O. Box 944
Martinsburg, West Virginia 25401
Attention: Chairman

REGISTRAR: One Valley Bank, National Association
Post Office Box 1793
One Valley Square
Charleston, West Virginia 25326
Attention: Corporate Trust Department

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

IN WITNESS WHEREOF, BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT and ONE VALLEY BANK, NATIONAL ASSOCIATION, 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.

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

By _____
Its Chairman

ONE VALLEY BANK, NATIONAL ASSOCIATION

By _____
Its Corporate Trust Administrative Officer

05/01/90
BCPSSDJ.T2
06774/89001

EXHIBIT A

[Included in transcript as Document No. 1]

SCHEDULE OF COMPENSATION

Invoice

ONE VALLEY BANK

BERKELEY COUNTY PUBLIC SERVICE SEWER
DISTRICT
ATT: CHAIRMAN

DATE MAY 3, 1990

UNITS	ITEM DESCRIPTION	TOTAL
	$867,298 BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT SEWER REVENUE BONDS SERIES A AND B	
	ONE TIME FEE FOR SERVICES AS REGISTRAR AND AUTHENICATING AGENT.	$500.00

869

SEND REMITTANCE TO: One Valley Bank
One Valley Square
P.O. Box 1793
Charleston, WV 25326

Attn: CHARLOTTE S MORGAN

ALL-STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, HARTFORD, NEW JERSEY 07016

ED 11-20

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto One Valley Bank, National Association, Charleston, West Virginia, the Sewer Revenue Bond, Series 1990 A, of Berkeley County Public Service Sewer District in the principal amount of $828,629, numbered AR-1, standing in the name of West Virginia Water Development Authority on the books of said Issuer.

Dated: May 3, 1990

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Barbara B. Meadows
Authorized Representative

05/01/90
BCPSSDJ.U2
06774/89001

[Included in Transcript Nos. 1, 2 and 3 only]

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

GASTON CAPERTON
Governor

J. EDWARD HAMRICK III
Director

LARRY W. GEORGE
Deputy Director

March 20, 1990

Mr. Brad Hansen
Executive Director
Berkeley County PSSD
P. O. Box 944
Martinsburg, WV 25401

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0020061
Letter of Addendum

Dear Mr. Hansen:

This letter serves as Modification No. 2 of your existing WV/NPDES Permit No. WV0020061 dated the 27th day of September 1985.

After review of Modification Application No. WV0020061-B dated the 5th day of January 1990 and the information submitted by letter dated January 16, 1990, the subject permit is hereby modified to include the following:

To construct, install, operate, and maintain a sewage collection system consisting of 7,007 linear feet of 8 inch gravity sewer, 182 linear feet of 15 inch gravity sewer , 1,604 linear feet of 10 inch gravity sewer, 253 linear feet of 1 1/2 inch force main, 1,343 linear feet of 2 inch force main, 2,880 linear feet of 6 inch force main, 5,892 linear feet of 8 inch force main, 1,845 linear feet of 6 inch House laterals, six(6) pump stations, four(4) standby generators, and all necessary appurtenances.

The collection system has a design flow of 70,000 GPD and is designed to serve the Highway 9 and Grapevine Road areas of Berkeley County PSSD and is to convey sewage to the City of Martinsburg sewage system for its ultimate treatment and discharge.

RECEIVED
3-22-90

Facilities to be constructed in accordance with:

Plans and Specifications:
Date Approved: December 20, 1989 by Construction Grants
Prepared By: Howard, Needles, Tammen & Bergendoff by G. DeLane Randolph, P. E. No. 6049
Title: EPA Project No. C-540393 - Highway 9 South Sanitary Sewer System - Sanitary Sewers and Pumping Stations - Contract HS-1 - Berkeley County PSSD, Berkeley County, WV, Dated 12/89 and approved by Berkeley County PSSD on December 20, 1989.

All other terms and conditions of the subject permit shall remain in effect and unchanged.

Sincerely,

Laidley Eli McCoy, Ph. D.
Chief

LEM:rcl

BERKELEY COUNTY
PUBLIC SERVICE SEWER DISTRICT
P.O. Box 944
2180 Eagle School Road
Martinsburg, WV 25401
(304) 263-8566

Brad B. Hansen
Executive Director

The Berkeley County Public Service Sewer District met in Regular Session at the District's Administration Building, 2160 Eagle School Road, Martinsburg, W. Va. on Monday, March 12, 1990, at 6:30 P.M.

The Meeting was called to order by Chairman, Mr. Donald L. Fansler, at 6:30 P.M.

1. Role Call was Taken:

Board Members: Donald L. Fansler, Chairman; Robert Criswell, Board Member.

Advisory Board Member: Ronald Good

Staff: Brad B. Hansen; Joan L. Poole

Engineer: Walter Sebert

Guests: LCS - Lee Snyder; Charles Gillson
David Pugh; Leon Close; Robert Eckles
David Leonard

2. Board Meeting Minutes - February 2, 1990:

Mr. Criswell moved to approve the minutes. It was seconded and so ordered by Mr. Fansler, Chairman.

3. Election of Officers:

It was moved by Mr. Criswell that Mr. Donald Fansler be elected Chairman, Mr. Clarence Robinson be elected Treasurer and Mr. Robert Criswell be elected Secretary. It was seconded and so ordered by Mr. Fansler, Chairman.

4. Covington:

Mr. Sebert reported the proposed plan was to have the County Engineers do the actual design work on the sewer system and the developer would run the sewer line down the hollow. Mr. Hansen stated a proposal had been sent to the developer.

Mr. David Leonard, developer of Covington Heights, arrived at meeting at this time. Mr. Leonard,stated he had looked at the Berkeley County Engineer's cost estimates and he did not see any problem with the contract, but he felt it would be impossible for them to give the District a proposal based on the information he had at this time. He stated they would have a lot of bid exclusions until they could come up with a design and profile in

36A

which they could give the District a good price. Mr. Hansen stated that the Sewer Board did not use rough cost estimates in the contract documents and before construction of the project began the District would like for everyone to be comfortable with what actually existed which would include drilling and rock removal. Mr. Hansen stated that as far as land acquisition the only rights the District had at this time was the property to be developed and what is on the Sewer District's property and that there were two properties separating them. Mr. Hansen stated that what need to be clarified tonight was the preparation of preliminary design prior to submission of more detailed cost estimates. Mr. Leonard stated he could stay under the present cost estimates provided they did not get into solid rock. Mr. Hansen stated the District's main concern and the District's hesitation in providing the full design, is that if the District authorized the County Engineers to develop a full design and the project does not move forward then the District would have expended funds to do the design for nothing and that is why a preliminary design is suggested. Mr. Hansen stated that if for some reason the project does not proceed then the developers would be expected to pick up the cost of the engineering. Mr. Leonard stated that he did not have a problem with that. Mr. Leonard stated that regardless of who does the sewer line that the developing company would be paying a percentage of the engineering costs. Mr. Hansen stated that the reason the District was willing to participate in the cost of installing the main line extension was because the extension would benefit more than just the development. Mr. Leonard stated that they were thinking in the area of $20,000.00 would be their proportionate share and that they wouldn't want to exceed that. Mr. Hansen asked the Board if that if under the condition that the project should not proceed and if the developer agrees to pay for engineering design work under this condition can the District authorize its engineer to proceed with design of that line at preliminary design adequately for purpose of submitting a proposal for construction? Mr. Leonard stated that if the District needed a Bond or deposit that they would have no problem in doing so. Mr. Leonard stated they were taking possession of the property for contract purposes today and on March 23rd they would be the owners and that point they would be in the position to sign any agreement. Mr. Criswell moved that the District authorize its engineers to adequately prepare the preliminary design for purpose of submitting a proposal for construction with the understanding that if the development does not begin the developers would pay the cost of engineering services. It was seconded and so ordered by Mr. Fansler, Chairman. Mr. Sebert stated it would probably be five or six weeks before the preliminary design was completed.

5. LCS

Mr. Lee Snyder and Mr. Charles Gilleon, representatives of LCS, met with the Board Members to present a proposal to transport by truck leachate from the proposed landfill to a specific pumping station in the Opequon/Hedgesville sewage system. After presentation of the proposal and discussion by the Board, the Board recommended to Mr. Snyder and Mr. Gilleon to submit to the BCPSSD the necessary

information in a timely manner to be submitted to the PSC and DNR for their review and comments. The Board stated their reasons for the District's general policy regarding not permitting pumping raw sewage into treatment plants or pumping stations. No approval was given by the Board for the proposal presented by LCS. The Board stressed their desires for upgrade of the sewer system to permit gravity flow. The pretreatment agreement and laboratory monitoring by an independent laboratory were also discussed. (See attached LCS Discussion, Board Meeting 3/12/90)

6. Hedgestone

Mr. Hansen stated that representatives for Hedgestone were present before the meeting began. The representatives delivered to the BCPSSD a contract proposal. Mr. Hansen stated that Hedgestone was a development proposed for Hedgesville area behind the Tall Pines Club. The agreement deals with the line extension for that development.

Mr. Sebert stated after looking at the plans and specifications for Hedgestone that he had only one comment about a baffle at a wet well and that everything else appeared to be OK.

Mr. Hansen stated that 312 total units were proposed. Mr. Hansen stated that the developers have been very responsive. Mr. Hansen stated the owner of the property was Total Concept Homes, Inc. Mr. Hansen stated that Total Concept Homes, Inc. (TCH) has agreed to pay for all extensions and upgrades to the sewer lines without cost to the District and at the time of completion the lines will be turned over to the BCPSSD. The President of TCH has signed the agreement.

Mr. Good suggested that the Board include in the agreement that sealed manholes be used in the stream area located on the property so that when the District takes the system over infiltration will not occur at this point. Mr. Hansen asked Mr. Sebert that he note this in his comments to TCH of items needed to be satisfied.

Mr. Hansen recommended that after the engineering review was completed and all the items that the County Engineer has noted are resolved, that the District enter into the Agreement with TCH.

7. Penn Street

Mr. Hansen stated that prior to tonight the Board had not seen the agreement. Mr. Hansen stated that the agreement had been prepared according to what the Board had requested. Mr. Close and Mr. Eckles were present at this time. The agreement is for a line extension in Penn Street adjacent to Skylin Park. Mr. Bucky Teach has reviewed the plans. As discussed previously, the BCPSSD is interested in connecting a portion of Skylin Park Subdivision into this line extension. The connection of Skylin Park Subdivision into the line extension would be the cost of the Sewer District. As far as the line extension through Penn Street, Mr. Close and Mr. Eckles proposes to do this. They also propose to construct a

pumping station because the District's pumping station is currently inadequate. Mr. Hansen stated that at the present time Mr. Close has been given permission for up to five residences to be connected into the Skylin Park Subdivision and that the Board would have them construct the force main pumping station into Mountainview Acres. Mr. Hansen stated that Mr. Eckles wanted to request that the Sewer Board construct or at least reimburse the cost for the construction of the force main from proposed pumping station to the connection point in Mountainview Acres with Keller's Addition. Mr. Hansen informed the Board that he had discussed this with Mr. Close and Mr. Eckles on two or three occasions regarding what they were willing to do and what the Board was willing to do. Mr. Hansen stated that the opinion of the Board was that the District could not get to construction now and the District did not want to hold it up and that Mr. Close should put in the force main. Mr. Hansen stated that he had asked them to present to the District a proposal for the cost of the force main. At this time the discussion was turned over to Mr. Close and Mr. Eckles.

Mr. Eckles stated that the bottom line was they would also want to discuss a developer's contract on the extension of the line in Penn Street. Another thing was the burden of acquisition of right-of-way, easements, bonding, etc. for the extension of the force main being placed on Berkeley Homes, Inc. Mr. Eckles stated that although they were not 100% opposed to construction of that force main, he felt it would be extremely difficult for them to negotiate the easement, etc. He felt it would be easier for the PSD to work with them concerning these items. He felt this situation has been discussed quite extensively between them and the District. It has been conveyed to us that the Board is reluctant to enter a developer's contract as far as reimbursement.

Mr. Hansen stated that was correct.

Mr. Eckles stated that they have looked at the total cost of the project. He stated that when this first started they had agreed to upgrade the lift station, upgrade the force main to existing pump station in order that it would not have to be redone by the PSD at no cost to the PSD. He thought that what needed to be discussed at this time was the developer's contract and pay back. He stated that they were looking at a large expenditure in terms of the developer's contract and he thought that in the terms of the PSC ruling on the developer's contract and that they had thought about going in and completing the force main that the PSD had requested; but they would anticipate that the cost of that line be added into the construction cost of the new lines in Penn Street to be included in the developer's contract. He stated that basically that was where they were right now.

Mr. Eckles asked Mr. Sebert if their plans had been reviewed at this time. Mr. Sebert was not sure if Mr. Teach had reviewed the plans.

Mr. Fansler stated that the BCPSSD Board was moving in the direction of no pay back for the developer and that was the Board's policy as of January 1, 1990.

Mr. Eckles asked the Board if they were stating that they would not enter into a developer's contract.

Mr. Hansen stated they had no problem entering into a contract with a developer and the District intended to enter into an agreement with them. Mr. Hansen stated it would either conform with the PSC Rules and Regulations 5.03 or 5.03h which allows for an alternate to the main line extension. Mr. Hansen stated that the District had considered the alternate in the proposal submitted to them. Mr. Hansen proposed that if the District was to give assistance it would be in the areas that was mentioned first -- the permits for the road crossing, permits with the Health Department, as far as a preparation of an easement document, these would be areas that it was anticipated that the permit would be in the BCPSSD. Mr. Hansen felt that dealing with the line extension in Penn Street asking the District to enter into an agreement for reimbursement would cause extended delay in that extension. Mr. Hansen stated that if they could narrow their request to that of the force main between the pump station and Mountainview then would be a different situation.

Mr. Eckles stated that in the original agreement the Sewer District was giving them the sewer availability for five lots. He asked the Board why they had restricted it to five lots.

At 8:20 P.M. the Board went into a brief executive session to discuss this matter. At 8:30 P.M. the Board returned to regular session.

Mr. Hansen stated that the Board was willing to participate in the obtaining of the permits, the right-of-ways, and Mr. Close and Mr. Eckles would need to obtain the price for the proposal for the force main extension. The District will enter into an agreement as far as the force main extension is concerned. The lines and pump station on Penn Street will be Mr. Close and Mr. Eckles responsibility and expense.

The above information was made a motion by Mr. Criswell and it was seconded and so ordered by Mr. Fansler, Chairman of the Board.

Mr. Eckles asked Mr. Hansen to send him a letter giving the above information and Mr. Hansen agreed to do so.

8. <u>Spring Mills Public Service, Inc.</u>

Mr. Hansen stated that the District had received a request from the Spring Mills Public Service Inc. to accept their sewage on a temporary basis which would be pumped at least twice a week or more if necessary until the Spring Mills Public Service System Plant is totally operational. The sewage is to be mostly domestic waste and not septic.

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Mr. Hansen asked Mr. Pugh what temporarily meant. Mr. Pugh stated that if the equipment arrived as scheduled it would be less than 60 days. He stated at the present time their total collection system is in and they were draining into a manhole that was approximately 8 1/2 feet deep. In order for them to get building permits they need to come up with some temporary means to dispose of their sewage.

The Board was sympathetic with the situation but with the general policy of not accepting hauled waste into the system, they could not agree to accept their sewage. The Board did provide Mr. Pugh with possible alternative suggestions for their sewage disposal.

9. Rolling Hills

Mr. Hansen informed the Board that Rolling Hills requested a sewer line extension on Rolling Hills Road near Hedgesville. Their were six property owners there who propose to build houses and some are already under construction. The request from them is to enter into a developer's contract and to be reimbursed 3.5 times annual revenue for each new house. Mr. Hansen stated this was a situation where the property owners would pay for the lines up front and be reimbursed as the houses come on line. They are not reselling the properties, they are requesting sewer service to the individual lots so that they can construct their houses. Mr. Hansen stated that the difference between this developer's contract and the other two that were considered tonight -- the other two are considered commercial for profit projects. The proposed cost for construction is $21,000.00. The amount to be reimbursed would be $840.00 x 6 which would be the District's share of the cost of that line entering into the system. Mr. Hansen stated that the Board did not need to take any action on this proposal tonight since the homeowners had not presented any agreement to the District.

10. Wildflower

Mr. Hansen stated an agreement was ready and Wildflower Creek, Inc. has signed it. Wildflower Creek is located on old Shepherdstown Road near Rosedale Cemetery. Mr. Hansen recommended the Board to sign the contract. It was moved by Mr. Criswell, seconded and so ordered by Mr. Fansler to sign the contract.

11. Burgerpark

Mr. Hansen stated that Burgerpark, USA was not present. They had turned in a proposal to aerate their holding tank so it would be in adequate condition to be accepted at our wastewater treatment plant. Burgerpark is a proposed restaurant in the area of Inwood. Mr. Hansen stated that the District had already advised Burgerpark that BCPSSD would not be accepting raw wastewater from their restaurant and they came back and again requested that the District

receive their wastewater. Mr. Hansen stated he advised them that the Board Meeting was tonight and if they wanted to request it of the Board they should be in attendance. Mr. Hansen stated that as far as the District was concerned no change would be made in the decision already made.

12. Hickory Hill

Mr. Hansen stated he had a request from the Associated Engineers for a project named Hickory Hill Development. This would be located in Baker Heights area behind the High's Store. Their proposal is to eventually construct in phases -- Phase I there would be 24 one-bedroom apartments, 72 two-bedroom apartments, 24 three-bedroom apartments and 56 townhouses -- Phase II there would be 69 -- Phase III 48 -- and in Phase IV there would be 42 townhouses. Mr. Hansen stated that he did a cursory review and informed them that Pump Station 2 and Pump Station 3 would both need to be upgraded to handle even Phase I. Station one seems to be of adequate capacity They have only submitted their sketch plans thus far. Associated Engineers have asked that they have the opportunity to review station information and proposed upgrade of those pump stations.

13. Bill Thomas

Mr. Hansen stated his understanding was they did not want to be on tonight's agenda. They are in the process of securing an easement from a property owner for the line extension from their development behind Mountainview Acres down to our existing line in the ravine. The easement from Shriver has been obtained, but there is another easement that needs to be obtained and Dan Copenhaver is working on that easement. Once they have that easement they will come in and discuss the District paying for the cost of that line over and above the cost of the pumping station.

14. Lutz and Gregory

Mr. Hansen stated this was on Rockcliff Drive. The District was to complete it but because of the rock involved it has never been completed. Mr. Hansen suggested that the District get a contractor to construct that line from Lutz and Gregory buildings over to the District's sewer. The Board agreed to same.

15. Porterfield Subdivision

Mr. Hansen stated that he had written up a proposed agreement for Porterfield to sign and return to the District where he would pay for upgrade of the pumping station. Mr. Hansen stated there was a previous agreement regarding this. The Board decided that no action would be taken until Mr. Porterfield returned the agreement.

16. Highway9 Project

Mr. Hansen stated that Mr. Sebert had brought proposed changes for the Highway9 Project for the Sewer Board action. Mr. Sebert stated that the contract needed to be initiated between the District and the County Engineers for the Highway9 Project so that things could get started. After discussion of the change orders by the Board, Mr. Criswell moved that the Board accept the changes. It was seconded and so ordered by Mr. Fansler, Chairman of the Board.

After discussion by the Board it was moved by Mr. Criswell that the District accept the contract from the County Engineers regarding Highway 9 and Grapevine Road Project. It was seconded and so ordered by Mr. Fansler, Chairman of the Board. (Note: proposed contract to be between Berkeley County Commission and the Berkeley County Public Service Sewer District).

17. Arcata

Mr. Sebert stated that he had a letter from H. J. Schneider requesting a payment of $18,629.40 concerning the Arcata Project. Schneider Construction Company states they will not continue with the Kisner's Pumping Station until this account was current. After discussion by the Board and Mr. Sebert it was decided by the Board that approval for the payment would not be recommended until Schneider Construction Company can account for the total of $18,629.40.

Mr. Hansen informed Mr. Sebert that he should order Schneider Construction to proceed with Kisner Pumping Station since that project had nothing to do with the Arcata Project. Mr. Hansen stated that Schneider was now working on their liquidated damages for the time period at Kisner Pump Station. Mr. Hansen asked Mr. Sebert to inform Schneider Construction Company that the District was going to start charging them for the liquidated damages until they have completed the Kisner's Project. Mr. Sebert stated that he would make some calls and if he was able to obtain the information from Schneider Construction Company he would have the information by Wednesday, March 14, 1990.

18. Smoke Testing

Mr. Hansen informed the Board that he was going to begin sending letters to homeowners concerning the findings of the smoke testing. Mr. Fansler inquired when HNTB would be finishing the smoke testing. Mr. Fansler stated they wanted to come in approximately three weeks. Mr. Hansen asked the Board if they wanted HNTB to continue the smoke testing. Mr. Sebert inquired how close to finish was the smoke testing at this time. Mr. Hansen stated approximately 50% was completed. Mr. Sebert stated that County Engineers would need to subcontract that project out. Mr. Sebert asked if the District was going to have HNTB continue the smoke testing. Mr. Hansen replied - no.

19. Mr. Hansen stated there were Sewer System Regulations that needed

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19. Mr. Hansen stated there were Sewer System Regulations that needed to go into the Berkeley County Subdivision Ordinances which needed to be approved tonight. The Sewer System Regulations state that

"all private sewer systems constructed in Berkeley County shall be designed, inspected and constructed in accordance with the Berkeley County PSSD specifications and all other regulatory agencies' design and construction requirements at the applicant developer's expense and to be conveyed to and without cost to the BCPSSD upon construction completion by the applicant developer upon formal written acceptance by the BCPSSD Board of Directors. Engineering design plans shall be prepared by the applicant's engineer for review and acceptance by the BCPSSD engineering consultants and all other regulatory review agencies prior to construction approval. Inspections of sewer systems construction by BCPSSD authorized officials and all other appropriate regulatory officials will be required prior to operation startup of the system. The engineering design inspection service shall be charged to the applicant. It is the general policy of the BCPSSD to assume ownership of the sewer collection line of extensions at the time it is connected to the BCPSSD public sewer system. Connections of developments will only be made upon an order of written acceptance by the BCPSSD Board of Directors. The BCPSSD assumption of ownership of privately owned package wastewater treatment plants will be considered on a case by case basis but will generally be discouraged. Assumption of ownership of privately owned package wastewater treatment plants will only be made upon an order and written acceptance by the BCPSSD Board of Directors. This document is hereby formally approved on this the 12th day March of 1990."

After discussion by the Board it was approved and signed by the Board. Mr. Sebert agreed to give it to Mr. Bill Miller at the Planning Commission.

20. Mr. Hansen presented the Board with a proposed alternative agreement to the mainline extension agreement for developers. It simply states that "the developer is responsible for construction of sewer lines in accordance with our specifications, will not be reimbursed and the hookup fee is $1,500.00", it consists of 12 pages and needs to be submitted to the Public Service Commission.

The Board Members had reviewed the proposed agreement prior to the meeting. The Board Members signed the proposed agreement to be sent to the PSC.

21. <u>Financial Statements and Invoices</u>

After discussion by the Board it was moved by Mr. Criswell, seconded and so ordered by Mr. Fansler to approve payment of invoices submitted except for H. J. Schnaider Construction Co. requesting Payment #5 for $21,902.01 until the total expenditure could be accounted for. (See attached Memorandum dated 3/12/90)

After discussion by the Board it was moved by Mr. Criswell, seconded and so order by Mr. Fansler, Chairman to accept the financial statement for January and February, 1990.

22. It was decided by the Board that Mr. Hansen would send HNTB a letter relieving them of engineering work for the BCPSSD except for the design work for the Baker Heights Treatment Plant. Mr. Sebert requested that a copy of the letter be sent to his office when it was mailed.

23. The Board adjourned at 10:00 P.M.

APPROVED BY:

Donald L. Fanelier, Chairman

Robert Criswell, Member

Clarence Robinson, Member

Brad B. Hansen, Exec. Director

STATE OF WEST VIRGINIA,
COUNTY OF BERKELEY, } *TO WIT:*

I, John W. Small, Jr., *Clerk of the County Court of Berkeley County, a Court of record in and for said County and State, do certify that the foregoing is a true, accurate and complete copy of* Commission minutes for April 12, 1990

as the same appears of record in the Office of the said Clerk of the County Court in Minute *Book No.* 31, *Page* 186.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said court, at my office, in said County, this 27th *day of* April, *19* 90.

Clerk of the County Court of Berkeley County, W. Va.

36B

Lee Place of the southernmost property line of Charles W. Edwards, Sr., et ux., whose property adjoins and abutts Lee Place at its intersection with the South-Martinsburg By-Pass (as shown in Deed Book 295 at Page 329), and as said portion of Lee Place appears on the plat which is attached hereto as Exhibit "A", be and the same is hereby closed, vacated, and abandoned in accordance with the provisions of Section 3h, Article 1, Chapter 7 of the West Virginia Code of 1931, as amended.

It is further ORDERED that a copy of this Order be recorded in the Deed Books in the office of the Clerk of the County Commission of Berkeley County, West Virginia, at the Affiants' expense.

/S/ Donald L. Bayer, President
/S/ William M. Kisner, Commissioner
/S/ John Evans Wright, Commissioner

Attest: /S/ John W. Small, Jr.

IN RE: AMBULANCE AUTHORITY

Mike MacDonald appeared before the Commission and requested an Executive Session to discuss a personnel matter.

Commissioner Kisner moved the Commission into Executive Session.
Commissioner Wright seconded the motion. So ordered unanimous.

Commissioner Kisner moved the Commission out of Executive Session.
Commissioner Wright seconded the motion. So ordered unanimous.

During the Executive Session, a personnel matter was discussed. No motions were made.

Commissioner Wright made a motion for the previously discussed matter to be referred to the prosecuting attorney for research.
Commissioner Kisner seconded the motion. So ordered unanimous.

IN RE: GERRARDSTOWN - COMPREHENSIVE PLAN

Mr. John Restaino has requested, through Commissioner Wright, that Gerrardstown be named an Historic District in Berkeley County's Comprehensive Plan.

IN RE: AMEND AGENDA

Commissioner Kisner made a motion to amend the agenda for the Airport Authority.
Commissioner Wright seconded the motion. So ordered unanimous.

IN RE: AIRPORT AUTHORITY - INSURANCE

Commissioner Bayer: As with all boards, we do try to protect membership with proper insurance, with the exception of the Airport Authority.

William Walkup: I have received an estimate of $5,000 for the first year for liability coverage for appointed members plus the administrator.

Rick Wachtel: Stew Borger, of Smith-Hadenbousch, informed us the State Board of Risk Insurance excludes Airports. Most liability policies do exclude airports.

Commissioner Kisner made a motion for the Airport Authority to seek bids for insurance.
Commissioner Wright seconded the motion. So ordered unanimous.

Commissioner Bayer requested an Executive Session for the legal reason of discussing the ongoing litigation pending with the Airport Authority.

Commissioner Kisner moved the Commission into Executive Session.
Commissioner Wright seconded the motion. So ordered unanimous.

Commissioner Kisner moved the Commission out of Executive Session.
Commissioner Wright seconded the motion. So ordered unanimous.

During the Executive Session, a legal matter was discussed. No motions were made.

Commissioner Kisner made a motion for the County Commission to agree to pay half the legal fees in this fiscal year for the defense of the Airport Authority. Hopefully, the City will agree to pay the other half.
Commissioner Bayer seconded the motion. So ordered unanimous.

IN RE: EXECUTIVE SESSION

Commissioner Kisner moved the Commission into an Executive Session to discuss legal matters.
Commissioner Bayer seconded the motion. So ordered unanimous.

Commissioner Kisner moved the Commission out of Executive Session.
Commissioner Bayer seconded the motion. So ordered unanimous.

During the Executive Session, legal matters were discussed. No motions were made.

IN RE: ENGINEERING CONTRACT

Commissioner Bayer made a motion for the Commission to approve the Engineering Contract between the Berkeley County Commission and the Berkeley County Public Service Sewer District.
Commissioner Kisner seconded the motion. So ordered unanimous.

AGREEMENT BETWEEN OWNER AND CONSTRUCTION ENGINEER FOR
PROFESSIONAL SERVICES DURING BIDDING AND CONSTRUCTION

THIS IS AN AGREEMENT made as of the 12th day of April in the year Nineteen Hundred and Ninety by and between THE BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a body corporate and political subdivision (hereinafter called OWNER) and BERKELEY COUNTY COMMISSION, a public corporation doing business at 108 West King Street, Martinsburg, West Virginia 25401 (hereinafter called CONSTRUCTION ENGINEER). OWNER intends to construct the Highway 9 South Sewer Construction Project (hereinafter called the Project).

The purpose of this agreement is to enable the Berkeley County Public Service Sewer District to engage to hire and reimburse the

MEMORANDUM OF LEGAL OPINION

TO: THE BERKELEY COUNTY COMMISSION
BERKELEY COUNTY PUBLIS SERVICE SEWER DISTRICT

FROM: JANET L. SCALIA, LEGAL COUNSEL

SUBJECT: PROPOSED AGREEMENT BETWEEN THE BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT AND THE BERKELEY COUNTY COMMISSION

Based upon counsel review of the above proposed Agreement for compliance with the requirement of Chapter 8, Article 23 of the West Virginia Code, counsel makes the following findings:

1. The proposed Agreement fully sets forth the purposes, power, authority, rights, objectives and responsibilities of the contracting parties and therefore complies with the requirements of Section 7 of said Chapter and Article.

2. The Agreement specifically provides that the duration of the Agreement shall be for an initial period of April 12, 1990 through June 30, 1990 with automatic renewal for each successive fiscal year with a provision for notice and termination. This complies with the requirements of Section 8 of said Chapter and Article.

3. As a political subdivision under the provisions of Section 4(c)(2) of Chapter 29, Article 12A of the Code, the "Governmental Tort Claims and Insurance Reform Act", the Berkeley County Commission has potential liability under the Agreement for injury, death or loss to persons or property. This liability arises in the event such injury, death or loss is caused by the negligent performance of acts by its employees, including the Berkeley County Engineer and his staff, within the scope of their employment. The degree of negligence contemplated by the Section does not require wanton, malicious or gross negligence.

Additionally, the acts for which the County Commission would be immune as set forth in Section 5 of said Chapter and Article are not contained in the proposed Agreement and in particular, under the terms of the proposed Agreement there is no duty imposed upon the County Commission to be responsible for inspection of property to determine whether the property complies with or violates any law or contains a hazard to health or safety.

Counsel notes that while individual employees of the County Commission will generally be immune from claims for loss or injury to person or property unless acting manifestly outside the scope of employment or acting with malicious purpose, in bad faith or in a wanton or reckless manner, such individual immunity does <u>not</u> extend to the employing political subdivision.

4. Both the Berkeley County Public Service Sewer District and the Berkeley County Commission have approved the Agreement as indicated by the signatures of their legal representatives appearing on the Agreement. The Agreement was authorized, executed and delivered by the Berkeley County Commission on April 12, 1990. Additional approval has been received from the Division of Natural Resources and the Public Service Commission of West Virginia.

Based upon the above, I am of the opinion that the Agreement of April 12, 1990 between the Berkeley County Public Service Sewer District and the Berkeley County Commission is a valid and legally enforceable instrument, and that it complies with all applicable requirements of Chapter 8, Article 23 of the West Virginia Code (as amended).

I am further of the opinion that the proposed Agreement imposes upon the Berkeley County Commission potential liability for injury, death or loss to persons and property for which immunity does not exist under the provisions of Chapter 29, Article 12A of said Code.

Janet L. Scalia
Assistant Prosecuting Attorney
Counsel, Berkeley County Commission

Submitted: May 2, 1990

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

CONSENT TO ISSUANCE OF PARITY BONDS

Notwithstanding anything to the contrary which may be provided in the Resolution of Berkeley County Public Service Sewer District (the "Issuer") adopted March 6, 1986, authorizing issuance of the Sewer Revenue Bonds, Series 1986 A and Series 1986 B, of the Issuer (the "Prior Bonds"), West Virginia Water Development Authority, as sole holder of the Prior Bonds, hereby consents to the issuance on or about May 3, 1990 of the Issuer's $828,629 Sewer Revenue Bonds, Series 1990 A, on parity with respect to lien and sources of and security for payment, with the Series 1986 A Bonds.

Dated this 3rd day of May, 1990.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Daniel B. Yankoski
Its Director

05/01/90
BCPSSDJ.BB1
06774/89001

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One Valley Bank
110 West King Street
Martinsburg, WV 25401
(304) 263-8944

ONE VALLEY BANK

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Revenue Bonds,
Series 1990 A and Series 1990 B

CONSENT TO ISSUANCE OF PARITY BONDS

Notwithstanding anything to the contrary which may be provided in the Resolution of Berkeley County Public Service Sewer District (the "Issuer") adopted March 6, 1986 , authorizing issuance of the Sewer Revenue Bonds, Series 1986 C, of the Issuer (the "Series 1986 C Bonds"), One Valley Bank of Martinsburg, N.A. (formerly Citizens National Bank), as sole holder of the Series 1986 C Bonds, hereby consents to the issuance on or about May 3, 1990 of the Issuer's $828,629 Sewer Revenue Bonds, Series 1990 A, on parity with respect to lien and sources of and security for payment, with the Series 1986 C Bonds.

Dated this 3rd day of May, 1990.

ONE VALLEY BANK OF MARTINSBURG, N.A.

By: _____

Its: Senior Vice President

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ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRI ORD NEW JERSEY 07016

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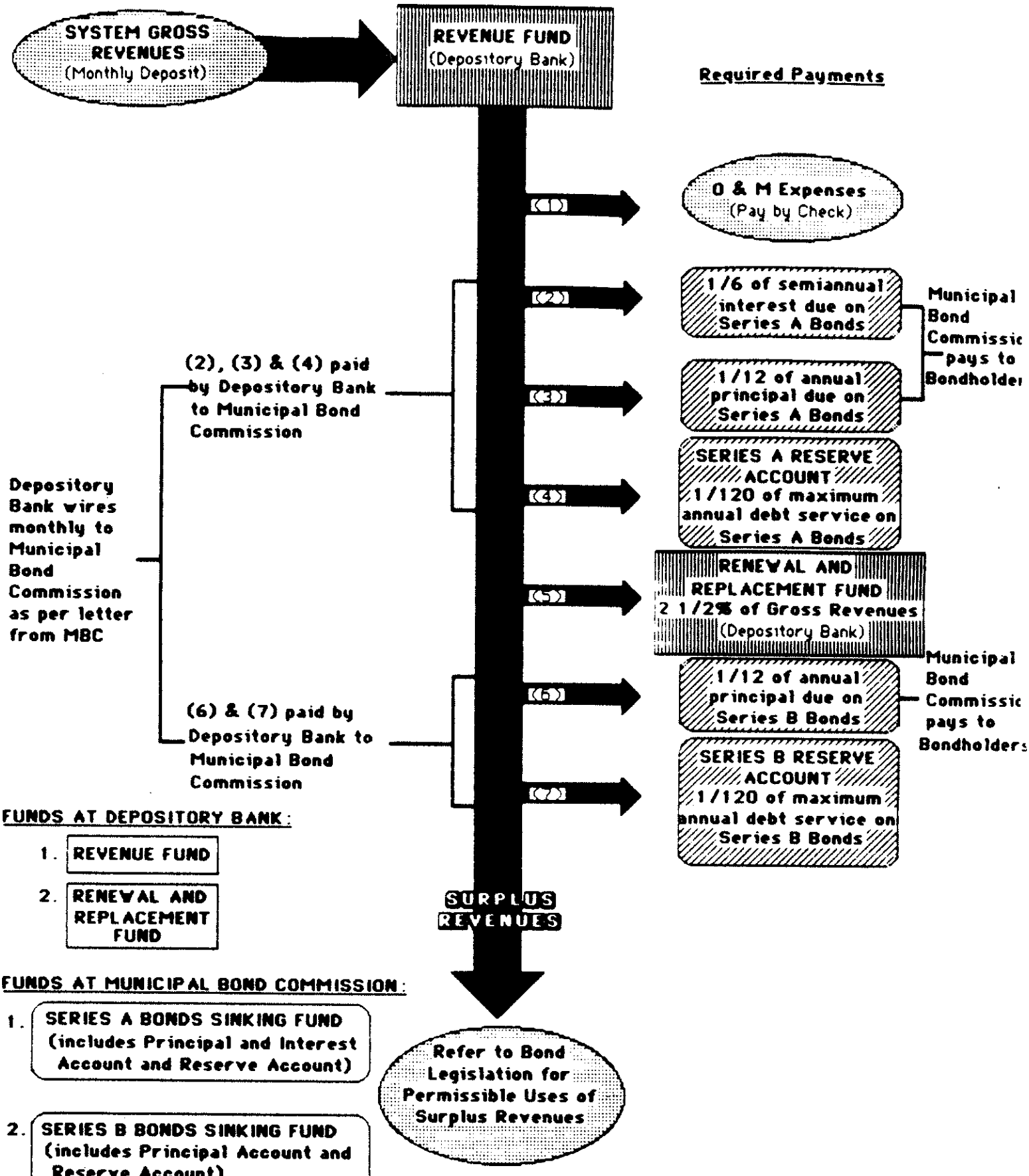
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