

TOWN OF BRADSHAW

**Sewer Revenue Bonds,
Series 1993 A and Series 1993 B**

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TOWN OF BRADSHAW
SEWER REVENUE BONDS,
SERIES 1993 A AND SERIES 1993 B
and
SEWERAGE SYSTEM INTERIM CONSTRUCTION FINANCING

BOND AND NOTES ORDINANCE

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TOWN OF BRADSHAW

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BRADSHAW AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1993 A, NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1993 B, AND NOT MORE THAN \$400,000 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 AND AUTHORIZING OR 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 ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF BRADSHAW:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The Town of Bradshaw (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in McDowell County of said State.

B. The Issuer does not presently own or operate a public sewerage system or public sewerage facilities, and it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed public sewerage facilities of the Issuer, consisting of a 50,000 gallon per day extended aeration wastewater treatment plant, a wastewater collection system that will be comprised of approximately 1,117 linear feet of three-inch diameter vacuum sewer lines, 2,495 linear feet of four-inch diameter vacuum sewer lines, 6,457 linear feet of six-inch diameter vacuum sewer lines, 70 vacuum valve installations, a vacuum station, 1,490 linear feet of four-inch diameter force main, 2,098 linear feet of one and one-fourth-inch diameter force main, 2,822 linear feet of one and one-half-inch diameter force main, 2,065 linear feet of two-inch diameter force main, 2,665 linear feet of two and one-half-inch diameter force main, 710 linear feet of three-inch diameter force main, 35 grinder pump installations, 3,041 linear feet of six-inch diameter gravity sewer lines, 1,610 linear feet of eight-inch diameter gravity sewer lines, 10 manholes, 33 cleanouts and a lift station, 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 Project and any additions, improvements and betterments thereto or extensions thereof is herein called the "System") at an estimated cost of \$3,032,530, in accordance with the plans and specifications 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 from the operation of the System after completion of the Project will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein, 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 \$400,000 in two series, being the Series 1993 A Bonds in the aggregate principal amount of not more than \$300,000, and the Series 1993 B Bonds in the aggregate principal amount of not more than \$100,000 (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 to issue, contemporaneously therewith or as soon as practicable thereafter, 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 \$400,000 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 acquisition or construction and for a period not exceeding 6 months after completion of acquisition or 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 the 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 the 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 no outstanding bonds or obligations of the Issuer which will rank senior and prior to or on parity with the Bonds as to lien, pledge and/or source of and security for payment.

The Series 1993 A Bonds shall be issued senior and prior to the Series 1993 B Bonds with respect to lien, pledge and source of and security for payment and in all other respects. The Series 1993 B Bonds shall be issued junior and subordinate to the Series 1993 A Bonds with respect to lien, pledge and source 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, certain proceeds of such Grant Anticipation Notes and/or proceeds of a letter of credit,

if any, all as shall be set forth in the Indenture and/or the Supplemental Resolution authorizing the Notes or the Grant Anticipation Notes. The Bond Anticipation Notes, if issued, will be payable from the proceeds of the Bonds (or individual series thereof), certain proceeds of such Bond Anticipation Notes and/or Net Revenues, if necessary and if available, all as shall be set forth in the Indenture and/or the Supplemental Resolution authorizing the Notes or such Bond Anticipation 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 and without limitation, the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or any of the Notes or such final order will not be subject to appeal.

I. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Council to issue the Bonds and the Notes, as needed for the purposes set forth herein.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the net proceeds of the issues of the Original Bonds and the Notes are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Notes and/or the Bonds are to be issued.

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 13 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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

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

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

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

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

"Bond Registrar" means the bank 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 Original Bonds) that ends at the close of business on October 1, unless otherwise required under the Code.

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

"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 Draper Aden Consultants, Inc., Blacksburg, Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D 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 Town Council 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 any or all of 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.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, 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 housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" or "Town" means the Town of Bradshaw, in McDowell County, West Virginia, and, unless the context clearly indicates

otherwise, includes the Governing Body and Sanitary Board 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.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Original Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the respective Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Original 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 \$400,000 in aggregate principal amount of sewerage system bond anticipation notes, grant anticipation notes and/or notes evidencing a line of credit, or any combination of the foregoing, and 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 term "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 the 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 \$300,000 in aggregate principal amount of Series 1993 A Bonds and the not more than \$100,000 in aggregate principal amount of Series 1993 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, collectively, the Small Cities Block Grant from the Department of Housing and Urban Development, through the State of West Virginia, pursuant to the commitment therefor, together with 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 Notes Registrar, at or prior to said date; (ii) any Bond or Note, 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, any Bonds or Notes registered to the Issuer.

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

"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.

"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 public sewerage facilities of the Issuer, consisting of a 50,000 gallon per day extended aeration wastewater treatment plant, a wastewater collection system that will be comprised of approximately 1,117 linear feet of three-inch diameter vacuum sewer lines, 2,495 linear feet of four-inch diameter vacuum sewer lines, 6,457 linear feet of six-inch diameter vacuum sewer lines, 70 vacuum valve installations, a vacuum station, 1,490 linear feet of four-inch diameter force main, 2,098 linear feet of one and one-fourth-inch diameter force main, 2,822 linear feet of one and one-half-inch diameter force main, 2,065 linear feet of two-inch diameter force main, 2,665 linear feet of two and one-half-inch diameter force main, 710 linear feet of three-inch diameter force main, 35 grinder pump

installations, 3,041 linear feet of six-inch diameter gravity sewer lines, 1,610 linear feet of eight-inch diameter gravity sewer lines, 10 manholes, 33 cleanouts and a lift station, 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 or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investment operated by such State Board of Investments; and

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

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

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

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

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

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

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

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1993 A Bonds" or "Series A Bonds" means the not more than \$300,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1993 A, of the Issuer.

"Series 1993 A Bonds Reserve Account" means the Series 1993 A Bonds Reserve Account established in the Series 1993 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1993 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 1993 A Bonds in the then current or any succeeding year.

"Series 1993 A Bonds Sinking Fund" means the Series 1993 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1993 B Bonds" or "Series B Bonds" means the not more than \$100,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1993 B, of the Issuer.

"Series 1993 B Bonds Reserve Account" means the Series 1993 B Bonds Reserve Account established in the Series 1993 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1993 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1993 B Bonds in the then current or any succeeding year.

"Series 1993 B Bonds Sinking Fund" means the Series 1993 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, 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, in its entirety or any integral part thereof, and shall include the Project and any improvements, additions, betterments and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"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 \$3,032,530. The Issuer shall have obtained the certificate of the Consulting Engineers in the form attached to the Loan Agreement to the effect that the Project has been or will be constructed in accordance with the plans and specifications as submitted to the Authority, which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body, stating that the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project. 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 1993 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 one or more of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than \$400,000. Said Bonds shall be issued in two series, to be designated, respectively, "Sewer Revenue Bonds, Series 1993 A," in the aggregate principal amount of not more than \$300,000, and "Sewer Revenue Bonds, Series 1993 B," in the aggregate principal amount of not more than \$100,000, 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 Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication 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 Bonds. The payment of the debt service of all the Series 1993 A Bonds shall be secured forthwith equally and ratably with each other by a first 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 1993 B Bonds. The payment of the debt service of all the Series 1993 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1993 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 and the Reserve Accounts therein 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 Original 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 or supplemental ordinance adopted or enacted prior to the issuance thereof:

[Form of Series 1993 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BRADSHAW
SEWER REVENUE BOND,
SERIES 1993 A

No. AR- _____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BRADSHAW, a municipal corporation and political subdivision of the State of West Virginia in McDowell 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 _____ 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, 199 _____. 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 _____, 199 ____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new public 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 fund a reserve account for the Bonds; and (iv)] to pay certain costs of issuance hereof and related costs. The Project and any additions, betterments and 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 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (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 SENIOR AND PRIOR WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE SEWER REVENUE BONDS, SERIES 1993 B, OF THE ISSUER ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1993 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, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1993 A Bonds Reserve Account"), unexpended proceeds of the Bonds and the Series 1993 B Bonds and any other sources provided in the Bond Legislation. 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 1993 A Bonds Reserve Account, unexpended proceeds of the Bonds and the Series 1993 B Bonds and any other sources provided in the Bond Legislation. 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 1993 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 1993 B Bonds, provided however, that so long as there exists in the Series 1993 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 1993 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1993 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, 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, the TOWN OF BRADSHAW has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 199____.

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1993 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 1993 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BRADSHAW
SEWER REVENUE BOND,
SERIES 1993 B

No. BR-___

\$_____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BRADSHAW, a municipal corporation and political subdivision of the State of West Virginia in McDowell 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 _____ 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 _____, 199____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new public sewerage facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The Project and any additions, betterments and 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 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on

_____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (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 JUNIOR AND SUBORDINATE WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE SEWER REVENUE BONDS, SERIES 1993 A, OF THE ISSUER ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1993 A BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1993 A Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1993 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 1993 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 1993 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1993 A Bonds or the Bonds, provided, however, that so long as there exists in the Series 1993 B Bonds Reserve Account and the reserve account established for the Series 1993 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 1993 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations 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 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 owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1993 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, the TOWN OF BRADSHAW has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 199____.

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1993 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 ordinance or resolution, the Mayor 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 Recorder 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 1993 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 1993 B Bonds to the Issuer for payment in an amount equal to such excess to the extent such excess is lawfully available therefor. 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 1993 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 \$400,000. 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 one or more resolutions 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 one or more supplemental resolutions, 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 and the letter of credit proceeds (if issued in the form of Grant Anticipation Notes) and from other sources described in the Indenture and/or supplemental resolution or resolutions. 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/or 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 \$400,000 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 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;
- (2) Renewal and Replacement Fund; and
- (3) Bond Construction Trust Fund.

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

- (1) Series 1993 A Bonds Sinking Fund;
 - (a) Within the Series 1993 A Bonds Sinking Fund, the Series 1993 A Bonds Reserve Account.
- (2) Series 1993 B Bonds Sinking Fund;
 - (a) Within the Series 1993 B Bonds Sinking Fund, the Series 1993 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, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, (i) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1993 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 1993 A Bonds Sinking Fund, a sum equal

to 1/6th of the amount of interest which will become due on said Series 1993 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 1993 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 1993 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1993 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1993 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 1993 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, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1993 A Bonds, if not fully funded upon issuance of the Series 1993 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1993 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1993 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1993 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 1993 A Bonds Reserve Requirement.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, commencing with the month succeeding the first full calendar month after commencement of operation of the System, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of 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 reserve accounts established with respect to the Series 1993 A Bonds or the Series 1993 B Bonds [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, commencing 13 months prior to the first date of payment of principal on the Series 1993 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1993 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1993 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 1993 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, commencing 13 months prior to the first date of payment of principal of the Series 1993 B Bonds, if not fully funded upon issuance of the Series 1993 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1993 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1993 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1993 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 1993 B Bonds Reserve Requirement.

Moneys in the Series 1993 A Bonds Sinking Fund and the Series 1993 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 1993 A Bonds Reserve Account and the

Series 1993 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.

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.

Any withdrawals from the Series 1993 A Bonds Reserve Account which result in a reduction in the balance of the Series 1993 A Bonds Reserve Account to below the Series 1993 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full to the Series 1993 A Bonds Sinking Fund for payment of debt service on the Series 1993 A Bonds.

Any withdrawals from the Series 1993 B Bonds Reserve Account which result in a reduction in the balance of the Series 1993 B Bonds Reserve Account to below the Series 1993 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1993 A Bonds Sinking Fund, the Series 1993 A Bonds Reserve Account, the Renewal and Replacement Fund and the Series 1993 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 1993 A Bonds Sinking Fund or the Series 1993 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.

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

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

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

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the 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, 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 and the Commission's fees then due.

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

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; 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 1993 A Bonds, there shall first be deposited with the Commission in the Series 1993 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 1993 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 1993 A Bonds, there shall be deposited with the Commission in the Series 1993 A Bonds Reserve Account, and from the proceeds of the Series 1993 B Bonds, there shall be deposited with the Commission in the Series 1993 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 1993 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. 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 1993 A Bonds, and thereafter, for the Series 1993 B Bonds. In the event that Notes are issued, the disposition of funds in the Bond

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, and all Costs have been paid, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1993 A Bonds Reserve Account and when fully

funded to the Series 1993 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; provided that, in no event shall more than 10% of the proceeds of either or both the Series 1993 A Bonds or Series 1993 B Bonds be deposited in the Reserve Accounts and any balance in excess of said amounts shall be returned to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply any 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 1993 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 1993 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 Bonds. The payment of the debt service of the Series 1993 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, senior and prior to the lien on said Net Revenues in favor of the Holders of the Series 1993 B Bonds. The payment of the debt service of the Series 1993 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1993 A Bonds. The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into

the Sinking 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 in the sewer rate ordinance of the Issuer enacted October 13, 1992, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and the Notes, if any, Outstanding, or to effectively defease this Bond Legislation in accordance with Sections 10.01 and 10.02 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 1993 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 1993 A Bonds and the Series 1993 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 1993 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 1993 A Bonds, unless the Series 1993 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 Recorder a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become

due in any succeeding Fiscal Year for principal of and interest on the following:

- (1) Any 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 Ordinance 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 Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System 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 1993 A Bonds and the Series 1993 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 1993 A Bonds or the Series 1993 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 submit the report of said audit to the Authority, 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 and that the revenues of the Issuer are adequate to meet its operation and maintenance expenses and its debt service requirements.

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 Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. 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; 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 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, subject to any requirements of law, 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 revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10%

of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the 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 and that the revenues of the Issuer are adequate to meet its operation and maintenance expenses and its debt service requirements.

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 or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.13. 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, with the consent of the Authority, 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 \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer; provided however, if facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide prone areas, flood insurance must be obtained by the Issuer on or before the date of issuance of the Bonds and maintained so long as any of the Bonds are outstanding.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer, prior to commencing operation of the Project and so long as any of the Bonds are outstanding.

B. The Issuer shall also require all contractors and all subcontractors 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 Original 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 Original Bonds during the term thereof is, under the terms of the Original 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 Original 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 Original Bonds during the term thereof is, under the terms of the Original 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 Original 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 Original 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 shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Original 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 Original 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 Original 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.

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. 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 Original Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of 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. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Original Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Original Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Original Bonds are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Original Bonds. For purposes of this first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or

cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Original Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Original Bonds. In the event of a failure to pay any such amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit 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 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, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

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 the 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 the 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 the 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 1993 B Bonds shall be subject to those of the Holders of the Series 1993 A Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond or 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, completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds or Bond Anticipation Notes 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 completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 1993 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 ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Notes or the 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 1993 A Bonds or the Series 1993 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 the exclusion 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 the Notes, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, 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 ordinances, orders or resolutions or parts thereof in conflict with

the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

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

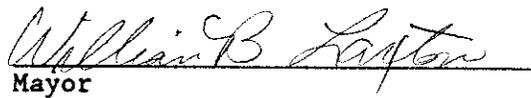
Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Welch Daily News, being the only newspaper published and of general circulation in the County of McDowell, and being of general circulation in the Town of Bradshaw, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bonds and the Notes, and that any person interested may appear before the Town Council upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

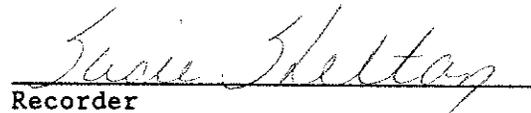
Passed on First Reading - February 2, 1993

Passed on Second Reading - February 9, 1993

Passed on Final Reading
Following Public
Hearing - February 23, 1993



Mayor



Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF BRADSHAW on the 23rd day of February, 1993.

Dated: March 31, 1993.

[SEAL]


Recorder

03/24/93
BRADC.A4
09966/90001

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TOWN OF BRADSHAW

Sewer Revenue Bonds,
Series 1993 A and Series 1993 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 1993 A AND SERIES 1993 B OF THE TOWN OF BRADSHAW; AUTHORIZING AND APPROVING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO THE SERIES 1993 A BONDS AND SERIES 1993 B BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the town council (the "Governing Body") of the Town of Bradshaw (the "Issuer"), has duly and officially enacted a bond and notes ordinance, effective February 23, 1993 (the "Bond and Notes Ordinance" or "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BRADSHAW AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1993 A, NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1993 B, AND NOT MORE THAN \$400,000 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 AND AUTHORIZING OR RATIFYING AND CONFIRMING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed \$400,000, to be issued in two series, the Series 1993 A Bonds to be in an aggregate principal amount of not more than \$300,000 (the "Series 1993 A Bonds"), and the Series 1993 B Bonds to be in an aggregate principal amount of not more than \$100,000 (the "Series 1993 B Bonds"), and has preliminarily authorized the execution and delivery of a loan agreement relating to the Series 1993 A Bonds to be dated the date of delivery of the Bonds, and a supplemental loan agreement relating to the Series 1993 B Bonds, also to be dated the date of delivery of the Bonds (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13 of the West Virginia Code, 1931, as amended (the "Act"); and in the Bond Ordinance 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 Series 1993 A Bonds and the Series 1993 B 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 THE TOWN OF BRADSHAW:

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

(A) The Sewer Revenue Bonds, Series 1993 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$245,806. The Series 1993 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2031, shall bear interest at the rate of 7.75% per annum, payable semiannually on October 1 and April 1 of each year, first interest payable October 1, 1993, 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 1993 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 1993 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$8,194. The Series 1993 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2031, 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 1993 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 Ordinance.

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 Mayor 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 Series 1993 A Bonds and Series 1993 B 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 Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 1993 A Bonds and Series 1993 B Bonds.

Section 6. The Issuer does hereby appoint One Valley Bank, Charleston, West Virginia, as Depository Bank under the Bond Ordinance. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Authority.

Section 7. Series 1993 A Bonds proceeds in the amount of \$30,450 shall be deposited in the Series 1993 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1993 A Bonds proceeds in the amount of \$20,147 shall be deposited in the Series 1993 A Bonds Reserve Account and Series 1993 B Bonds proceeds in the amount of \$210 shall be deposited in the Series 1993 B Bonds Reserve Account.

Section 9. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund for payment of Costs of the Project, including, without limitation, costs of issuance of the Bonds and repayment of borrowings previously incurred for the Project, if any.

Section 10. The Issuer hereby determines to pay, or reimburse itself for the cost of payment, 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, if any, including, but not limited to, all borrowings from the Authority.

Section 11. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 1993 A Bonds and the Series 1993 B Bonds may be delivered on or about March 31, 1993, to the Authority pursuant to the Loan Agreement.

Section 12. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 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 Ordinance held by the Depository Bank in repurchase agreements with maturities not exceeding 30 days secured by a pledge of Governmental Obligations, 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 repurchase agreements until further directed in writing by the Issuer. Moneys in the Sinking Funds for the Series 1993 A Bonds and Series 1993 B Bonds shall be invested by the Municipal Bond Commission in the West Virginia 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 to be promulgated or to be promulgated thereunder.

Section 15. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than \$5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1993, being the calendar year in which

the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

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

Adopted this 29th day of March, 1993.

TOWN OF BRADSHAW



Mayor

03/29/93
BRADC.B3
09966/90001

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Council of the TOWN OF BRADSHAW and effective on the 29th day of March, 1993.

Dated: March 31, 1993

[SEAL]


Susie Skelton
Recorder

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WDA-5
(June 1992)

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").

Town of Bradshaw
(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

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

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

ARTICLE I

Definitions

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

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

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

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

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

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

1.7 "Origination Fee" means the fee paid by a Governmental Agency with respect to its participation in the State's Revolving Fund program established pursuant to Title VI of the Water Quality Act of 1987, to provide funds for the acquisition and construction of wastewater Projects.

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

1.9 "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.

1.10 "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.

1.11 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 Division of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Bureau of Public 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.

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

(d) No Loan shall be made for the purpose of refinancing any outstanding long-term indebtedness of a Governmental Agency unless an opinion of counsel is received by the Authority to the effect that such refinancing is permitted by the Act and the Resolution, and that such refinancing will not cause a violation of any covenant, representation or agreement of the Authority contained in the Resolution or Tax Regulatory Agreement with respect to the exclusion of the interest on the Bonds from gross income of the holder thereof for federal income tax purposes;

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

(f) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System with all requisite appeal periods having expired without successful appeal, 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;

(g) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, 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) The Governmental Agency shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite appeal periods having expired without successful appeal, and the Authority 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;

(i) 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

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority

to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies as in the aggregate will permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the water development revenue bonds issued by it. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until it has available funds sufficient to purchase all the Local Bonds and that, prior to such execution, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available. The Governmental Agency further specifically recognizes that during the last 90 days of a period to originate Loans from its water development revenue bond proceeds, the Authority may execute Loan Agreements, commit moneys and close Local Bond sales in such order and manner as it deems in the best interest of the Program.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as 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 or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

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

(xiv) That the proceeds of the Local Bonds, 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;

(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;

(xviii) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached to the Loan Application, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project;

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

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

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.

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

4.3 An Origination Fee Account shall be established with the Trustee to hold the portion of the proceeds of any Loan established to fund an Origination Fee. Amounts on deposit in an Origination Fee Account shall belong to the Governmental Agency receiving the related Loan, but such amounts may only be disbursed from the Account to pay the Origination Fee as and when required to satisfy the requirements of the State's Revolving Fund program established pursuant to Title VI of the Water Quality Act of 1987 or for such other purposes as the Authority may approve in writing.

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

4.5 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds until the date of payment thereof, at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

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

4.7 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative

expenses shall be as determined by the Authority and shall include without limitation Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for the water development revenue bonds. The Authority shall provide both the Governmental Agency and the trustee for the water development revenue bonds with a schedule of such fees and charges, and the Governmental Agency shall pay such fees and charges on the dates indicated directly to the trustee. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

4.8 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the Authority's bonds.

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

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

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

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Governmental Agency

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

6.2 At the option of the Authority, the Governmental Agency shall issue and sell to the Authority additional, subordinate bonds to evidence the Governmental Agency's obligation to repay to the Authority any grant received by the Governmental Agency from the Authority in excess of the amount to which the Governmental Agency is entitled pursuant to applicable policies or rules and regulations of the Authority. Also at the option of the Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

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

6.4 The Governmental Agency hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority for the planning or design of the Project, and such repayment shall be a condition precedent to the Authority's making the Loan.

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 Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority pursuant to Section 6.3 hereof; or

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

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

Town of Bradshaw
[Proper Name of Governmental Agency]

(SEAL)

By: William B. Lupton
Its: Mayor

Attest:

Date: March 31, 1993

Jessie Helton
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: Daniel B. Zamboski
Director

Attest:

Date: March 31, 1993

Barbara B. Meadows
Secretary-Treasurer

WDA-5X
(July 1990)

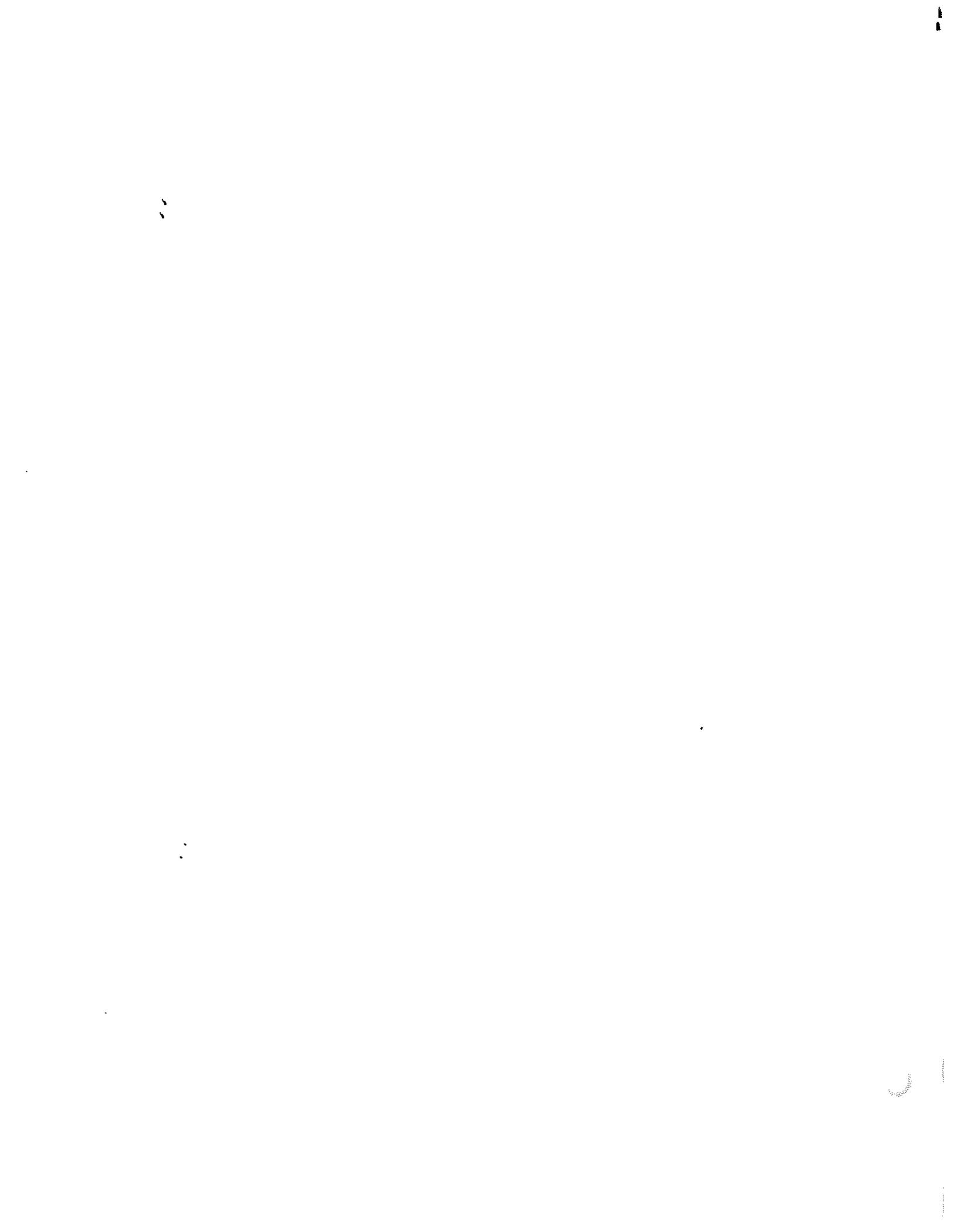
SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$ 245,806.00
Purchase Price of Local Bonds \$ 245,806.00

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 7.75 % per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

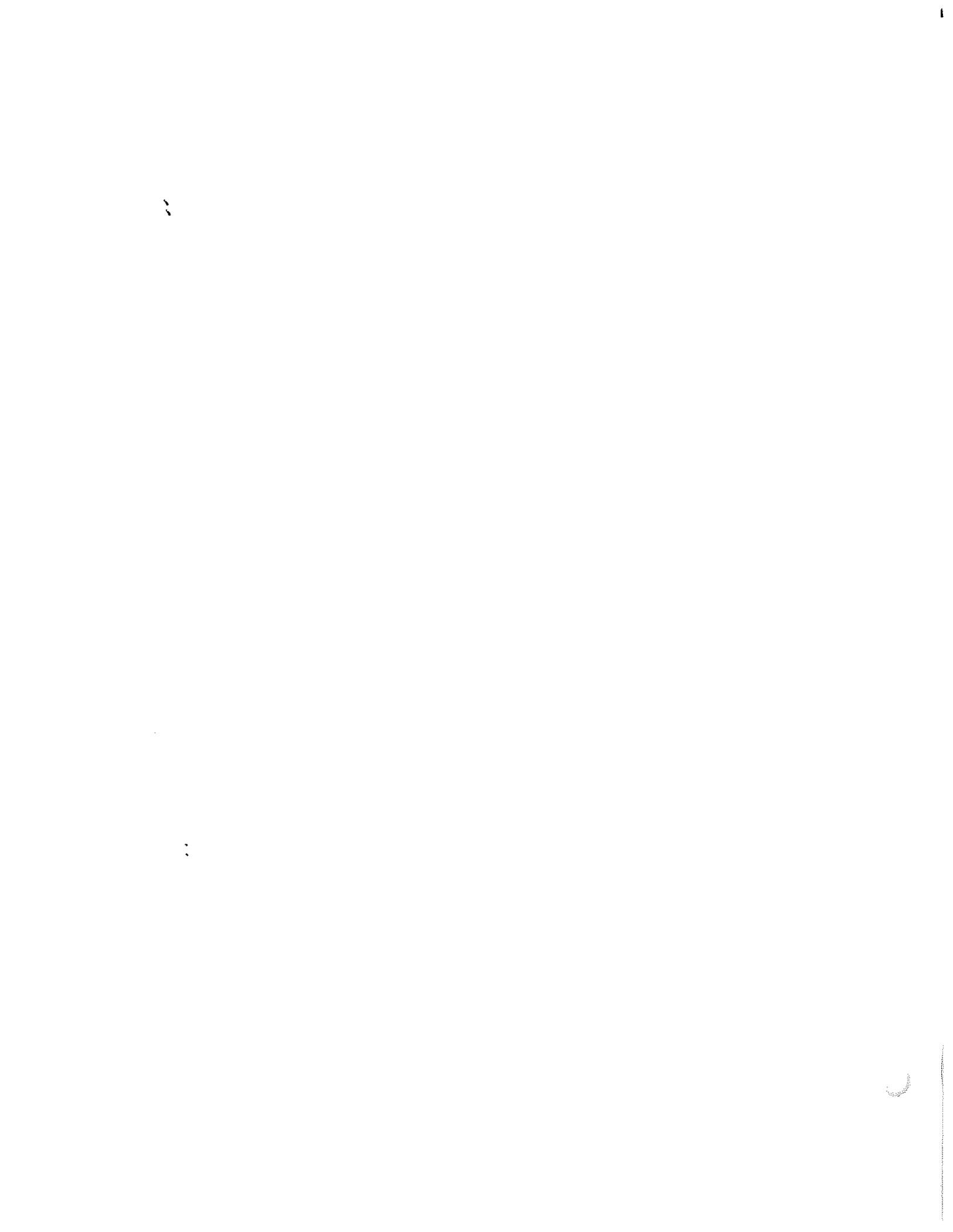
As of the date of the Loan Agreement, the Local Bonds are subordinate as to source of and security for payment to the following obligations:



**West Virginia Water Development Authority
Interest Bearing Local Loan from Series 1991 A Pool
Debt Service Schedule - Town of Bradshaw**

Closing: 3/31/93
Interest Bearing Loan: \$245,806.00

Date	Coupon	Principal	Interest	Debt Service
10/1/93	7.75%	\$1,096.00	\$9,577.90	\$10,673.90
10/1/94	7.75%	1,181.00	18,965.03	20,146.03
10/1/95	7.75%	1,273.00	18,873.50	20,146.50
10/1/96	7.75%	1,372.00	18,774.84	20,146.84
10/1/97	7.75%	1,477.00	18,668.51	20,145.51
10/1/98	7.75%	1,593.00	18,554.04	20,147.04
10/1/99	7.75%	1,715.00	18,430.59	20,145.59
10/1/00	7.75%	1,849.00	18,297.67	20,146.67
10/1/01	7.75%	1,992.00	18,154.38	20,146.38
10/1/02	7.75%	2,146.00	18,000.00	20,146.00
10/1/03	7.75%	2,313.00	17,833.68	20,146.68
10/1/04	7.75%	2,492.00	17,654.42	20,146.42
10/1/05	7.75%	2,685.00	17,461.29	20,146.29
10/1/06	7.75%	2,893.00	17,253.21	20,146.21
10/1/07	7.75%	3,117.00	17,029.00	20,146.00
10/1/08	7.75%	3,359.00	16,787.43	20,146.43
10/1/09	7.75%	3,619.00	16,527.11	20,146.11
10/1/10	7.75%	3,900.00	16,246.64	20,146.64
10/1/11	7.75%	4,202.00	15,944.39	20,146.39
10/1/12	7.75%	4,527.00	15,618.73	20,145.73
10/1/13	7.75%	4,878.00	15,267.89	20,145.89
10/1/14	7.75%	5,257.00	14,889.84	20,146.84
10/1/15	7.75%	5,663.00	14,482.43	20,145.43
10/1/16	7.75%	6,103.00	14,043.54	20,146.54
10/1/17	7.75%	6,575.00	13,570.56	20,145.56
10/1/18	7.75%	7,085.00	13,061.00	20,146.00
10/1/19	7.75%	7,634.00	12,511.91	20,145.91
10/1/20	7.75%	8,226.00	11,920.28	20,146.28
10/1/21	7.75%	8,863.00	11,282.76	20,145.76
10/1/22	7.75%	9,551.00	10,595.88	20,146.88
10/1/23	7.75%	10,290.00	9,855.67	20,145.67
10/1/24	7.75%	11,088.00	9,058.20	20,146.20
10/1/25	7.75%	11,948.00	8,198.88	20,146.88
10/1/26	7.75%	12,873.00	7,272.91	20,145.91
10/1/27	7.75%	13,871.00	6,275.25	20,146.25
10/1/28	7.75%	14,946.00	5,200.25	20,146.25
10/1/29	7.75%	16,104.00	4,041.94	20,145.94
10/1/30	7.75%	17,353.00	2,793.88	20,146.88
10/1/31	7.75%	18,697.00	1,449.02	20,146.02
		\$245,806.00	\$530,424.45	\$776,230.45



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, beginning thirteen (13) months prior to the first date of payment of principal of the Local Bonds, 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 ten (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 13, of the Code of West Virginia, 1931, as amended.

3. "System" means a sewage collection system and/or treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations and all appurtenances necessary or useful and convenient for the collection and/or a treatment, purification and disposal, in a sanitary manner, of liquid and solid waste, sewage, night soil and industrial wastes, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Division 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 Division of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.

4. The Local Act shall contain a covenant substantially as follows:

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

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

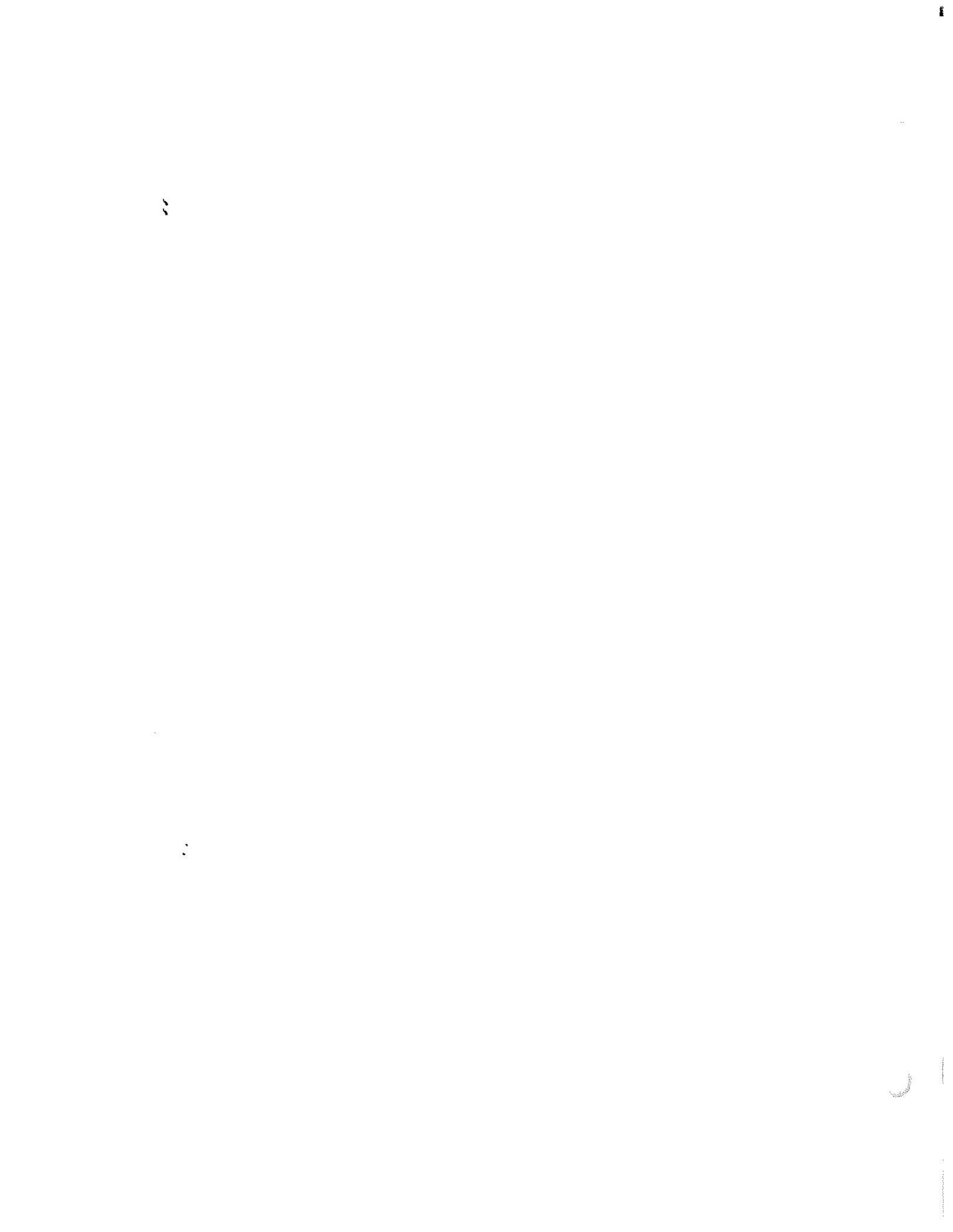
6. Subject to any prior or parity obligations described in Schedules X and Y attached to the Loan Agreement, the net revenues derived from the operation of the System are pledged to the payment of the principal of and interest on the Local Bonds.

7. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall deliver to the Authority a certificate representing the following:

- (a) The Governmental Agency expects to enter into a contract within six months of the date thereof for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2-1/2 percent of the estimated total Project cost financed with proceeds from the sale of the Local Bonds or \$100,000;
- (b) Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years from the date of issuance of the Authority's water development revenue bonds;
- (c) All of the proceeds from the sale of the Local Bonds which will be used for payment of costs of the Project will be expended for

such purpose within three years from the date of issuance of the Authority's water development revenue bonds; and

- (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
(June 1992)

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").

Town of Bradshaw
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act;

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds, including supplemental, subordinate revenue bonds, issued by the Governmental Agency;

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

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

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

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

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

ARTICLE I

Definitions; Loan Agreement

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

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

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

1.4 "Origination Fee" means the fee paid by a Governmental Agency with respect to its participation in the State's Revolving Fund program established pursuant to Title VI of the Water Quality Act of 1987, to provide funds for the acquisition and construction of wastewater Projects.

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

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

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

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

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Division of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Bureau of Public Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

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

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

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

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

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

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

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

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

2.10 The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of this Supplemental Loan Agreement.

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

2.12 The Governmental Agency, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall

each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority.

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

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

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

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

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

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Supplemental Bonds, construction of the Project, operation of the System and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite

without successful appeal, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel, to such effect;

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service

on the Local Bonds and the Supplemental Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Local Bonds and on a parity with the Supplemental Bonds or, if the reserve accounts established for the payment of debt service on the Local Bonds (the "Reserve Account") and for the payment of debt service on the Supplemental Bonds (the "Supplemental Reserve Account") are funded (whether by Local Bond proceeds with respect to the Local Bonds, monthly deposits or otherwise), respectively, at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in any year (the "Reserve Requirement") or on the Supplemental Bonds in any year (the "Supplemental Reserve Requirement"), as the case may be, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and the Supplemental Bonds and any such prior or parity obligations;

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

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

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Supplemental Bonds, except the Local Bonds and bonds on a parity with the Supplemental Bonds, which parity bonds shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Supplemental Bonds and parity bonds theretofore and then being issued and on the Local Bonds and any other obligations secured by or payable from the revenues of the System prior to the

Supplemental Bonds; provided, however, that additional parity Local Bonds and additional parity Supplemental Bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Supplemental Loan Agreement and that the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

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

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

(xv) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer, in the form attached to the Loan Application, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Water Development Project;

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

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

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in

accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Supplemental Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit B.

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

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

4.4 The Supplemental Loan shall not bear interest.

4.5 The Supplemental Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency.

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

4.7 An Origination Fee Account shall be established with the Trustee to hold the portion of the proceeds of any Loan established to fund an Origination Fee. Amounts on deposit in an Origination Fee Account shall belong to the Governmental Agency receiving the related Loan, but such amounts may only be disbursed from the Account to pay the Origination Fee as and when required to satisfy the requirements of the State's Revolving Fund program established pursuant to Title VI of the Water Quality Act of 1987 or for such other purposes as the Authority may approve in writing.

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds and the Supplemental Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Supplemental Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the rate of five percent (5%) per annum, from the date of the default until the date of the payment thereof.

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the
Governmental Agency

6.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges with respect to water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render 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 the Authority by the Governmental Agency in connection with the Loan or the Supplemental Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Loan Agreement or this Supplemental Loan Agreement.

ARTICLE VII

Miscellaneous

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

7.2 Schedules X, Y and Z shall be attached to this Supplemental Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

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

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

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

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

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

Town of Bradshaw
[Proper Name of Governmental Agency]

(SEAL)

By William B. Lantz
Its Mayor

Attest:

Date: March 31, 1993

Jessie Helton
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By Daniel B. Yakorsky
Director

Attest:

Date: March 31, 1993

Barbara B. Meadows
Secretary-Treasurer

WDA-Supp. 5X
(July 1990)

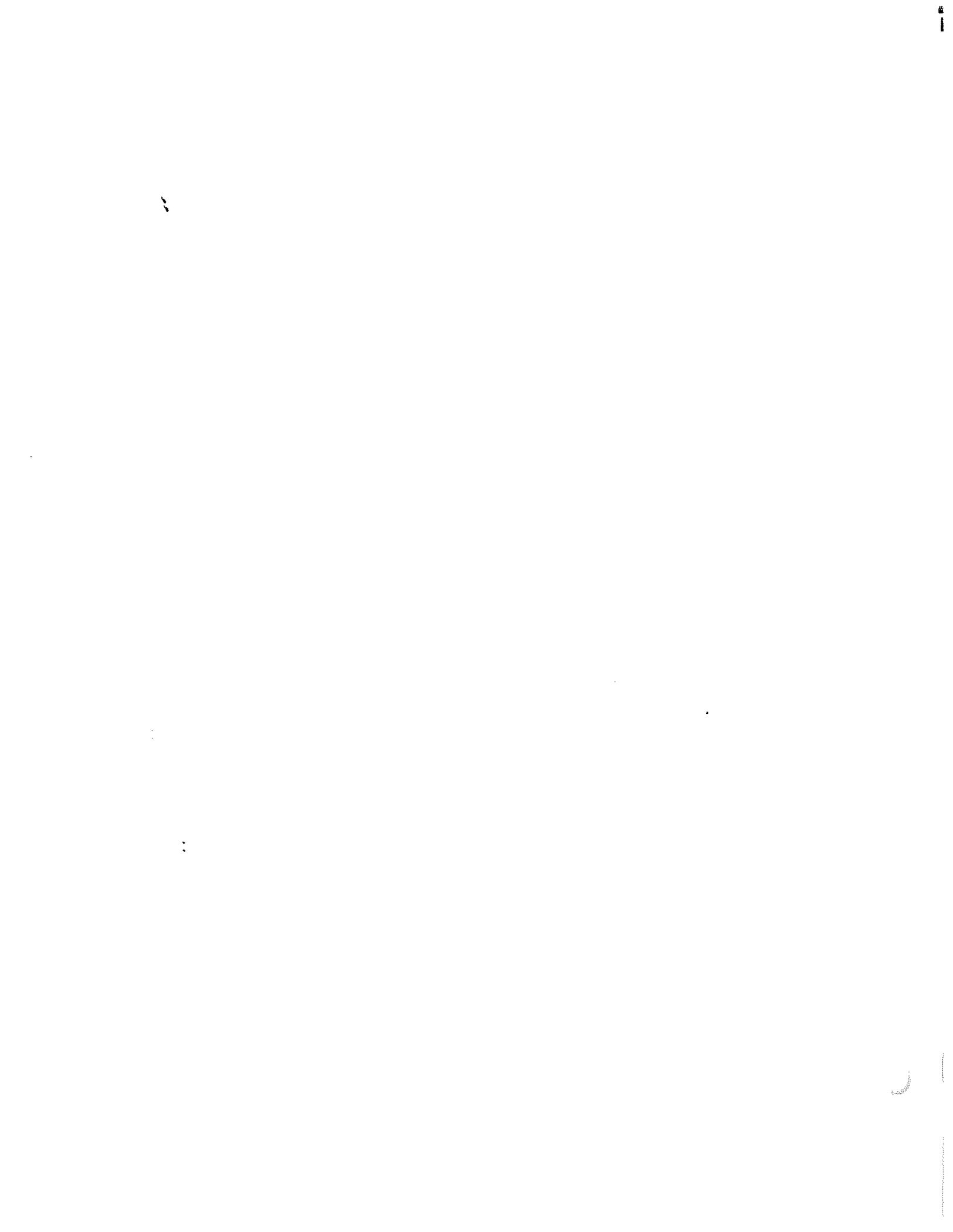
SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	\$ <u>8,194.00</u>
Purchase Price of Supplemental Bonds	\$ <u>8,194.00</u>

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

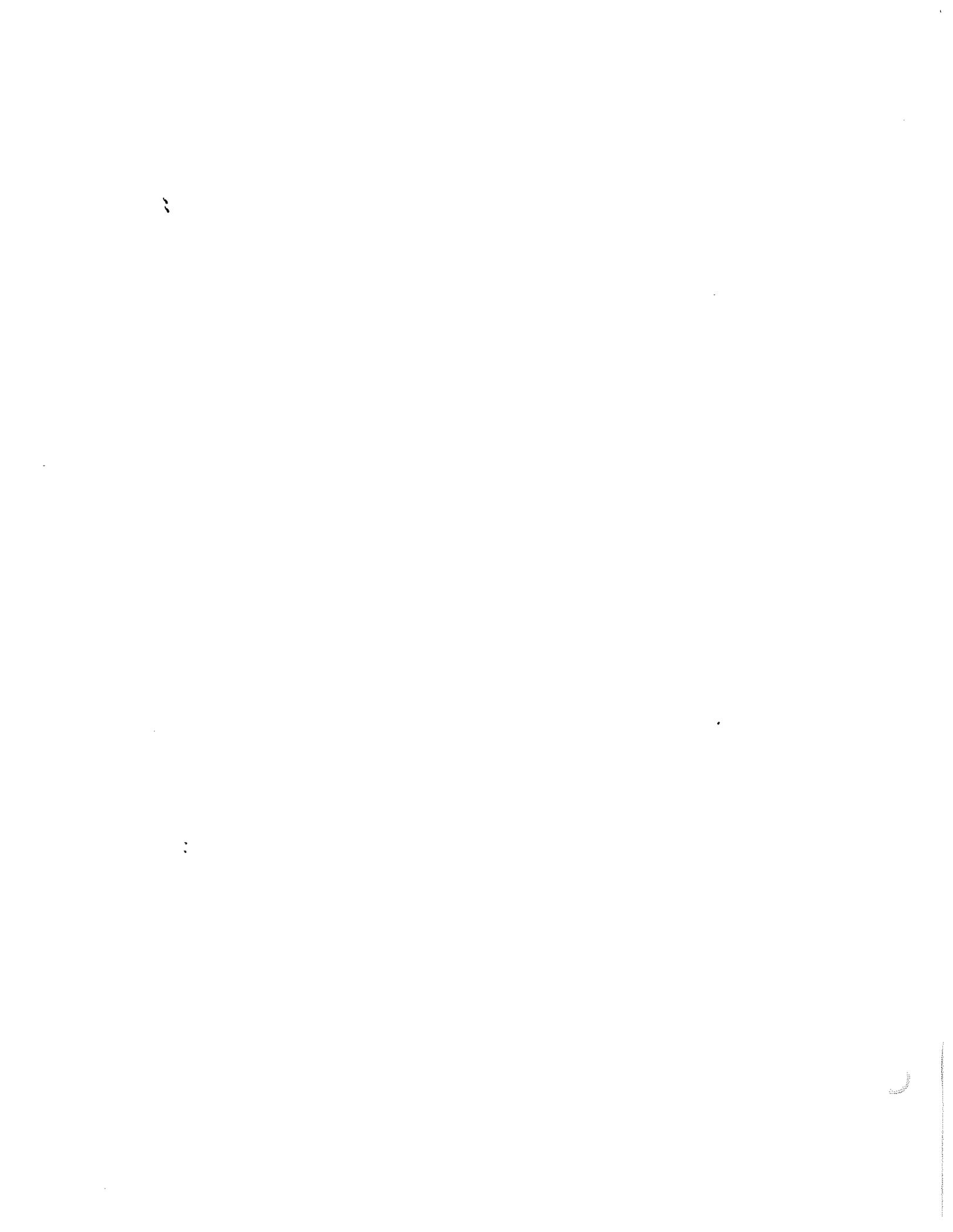


**West Virginia Water Development Authority
Interest Free Local Loan from Series 1991 A Pool
Debt Service Schedule - Town of Bradshaw**

Closing: 3/31/93

Interest Free Loan: \$8,194.00

Date	Interest Free Loan	Debt Service
10/1/93	\$210.10	\$210.10
10/1/94	210.10	210.10
10/1/95	210.10	210.10
10/1/96	210.10	210.10
10/1/97	210.10	210.10
10/1/98	210.10	210.10
10/1/99	210.10	210.10
10/1/00	210.10	210.10
10/1/01	210.10	210.10
10/1/02	210.10	210.10
10/1/03	210.10	210.10
10/1/04	210.10	210.10
10/1/05	210.10	210.10
10/1/06	210.10	210.10
10/1/07	210.10	210.10
10/1/08	210.10	210.10
10/1/09	210.10	210.10
10/1/10	210.10	210.10
10/1/11	210.10	210.10
10/1/12	210.10	210.10
10/1/13	210.10	210.10
10/1/14	210.10	210.10
10/1/15	210.10	210.10
10/1/16	210.10	210.10
10/1/17	210.10	210.10
10/1/18	210.10	210.10
10/1/19	210.10	210.10
10/1/20	210.10	210.10
10/1/21	210.10	210.10
10/1/22	210.10	210.10
10/1/23	210.10	210.10
10/1/24	210.10	210.10
10/1/25	210.10	210.10
10/1/26	210.10	210.10
10/1/27	210.10	210.10
10/1/28	210.10	210.10
10/1/29	210.10	210.10
10/1/30	210.10	210.10
10/1/31	210.20	210.20
	\$8,194.00	\$8,194.00



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, beginning thirteen (13) months prior to the first date of payment of principal of the Local Bonds, 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 ten (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 depositing in a sinking fund one-twelfth (1/12) of the principal payment next coming due on the Supplemental Bonds and, if the Supplemental Reserve Account was not funded concurrently with the issuance thereof in an amount equal to the Supplemental Reserve Requirement, by depositing in the Supplemental Reserve Account an amount 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 ten (10) years) of the Supplemental Reserve Requirement or, if the Supplemental Reserve Account has been so funded (whether by Supplemental Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Supplemental Reserve Account at the Supplemental Reserve Requirement;

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

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

SCHEDULE Z

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.

2. "Local Statute" means Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended.

3. "System" means a sewage collection system and/or a treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations and all appurtenances necessary or useful and convenient for the collection and/or treatment, purification and disposal, in a sanitary manner, of liquid and solid waste, sewage, night soil and industrial wastes, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Division 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 Division of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.

4. The Local Act shall contain a covenant substantially as follows:

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

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

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

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

Entered: January 29, 1993

2-18-93

CASE NO. 92-0668-S-CN

TOWN OF BRADSHAW, a municipal corporation, McDowell County.

Application for a certificate of convenience and necessity to construct, operate and maintain a sewer system in Bradshaw, McDowell County.

RECOMMENDED DECISION

PROCEDURE

On July 2, 1992, the Town of Bradshaw, a municipal corporation, McDowell County, filed an application, duly verified, for a certificate of convenience and necessity to construct, operate and maintain a sewer system in Bradshaw, McDowell County. This filing is a refiling of Case No. 91-898-S-CN, which was dismissed by Final Order of the Commission on May 3, 1992.

By Order entered on July 20, 1992, the Public Service Commission issued its Referral Order in this matter, referring this case to the Division of Administrative Law Judges and mandated that an Administrative Law Judge Decision be rendered on or before January 2, 1993. On that same date, the Commission entered a Corrective Order directing the Administrative Law Judge to render a decision in this matter on or before February 2, 1993.

On July 27, 1992, the Administrative Law Judge (ALJ) entered a Procedural Order scheduling this case for a hearing on Tuesday, December 1, 1992.

On October 1, 1992, Cassius H. Toon, Staff Attorney, submitted a Further Joint Staff Memorandum to the Commission. Attached to that Memorandum was a Staff Memorandum from Sterling E. Bare, Utilities Analyst, and C. E. Windham, Jr., P.E., Utilities Division, Water and Sewer Section, dated September 24, 1992. Staff stated that, upon initial review of this case and with its potential controversy, Staff has found it more prudent to have the location of this hearing moved to the Town of Bradshaw, in McDowell County. Staff stated that the customers would have a better opportunity to attend a hearing and voice their opinion.

On October 1, 1992, the Commission received a letter from William S. Infrey, II, Esquire, on behalf of the Town of Bradshaw, requesting that the hearing set for December 1, 1992, be accelerated.

On October 22, 1992, it was ordered that the hearing set for December 1, 1992, in McDowell County, be cancelled and reset for November 19, 1992, at the Bradshaw Town Hall, Bradshaw, West Virginia.

It was further ordered that the Town of Bradshaw be ordered and directed to publish a notice attached to this Order, one time between the date hereof and November 19, 1992, in a newspaper, duly qualified by the Secretary of State, published and of general circulation in McDowell County.

This hearing was held as scheduled. The Applicant was represented by the Mayor, William Burl Laxton, and by Counsel, William S. Winfrey, II. The West Virginia Division of Environmental Protection (DEP), was represented by Mark J. Rudolph, Assistant Attorney General. Commission Staff was represented by Staff Attorney Cassius H. Toon.

On December 11, 1992, the Division of Environmental Protection submitted its brief. On December 18, 1992, the Town of Bradshaw submitted its brief. On December 22, 1992, the Division of Environmental Protection submitted a reply brief. Commission Staff did not submit a brief.

EVIDENCE

Mr. William Burl Laxton was called as a witness on behalf of the Town of Bradshaw. Mr. Laxton is the Mayor of the Town and has been involved in the construction of a sewer system since the 1980s. Presently, there is no sewer system in Bradshaw. However, there is a main trunk line (sewer collection line) that empties into Bradshaw stream. (Tr., p. 9). As a result of action taken by the Department of Natural Resources of West Virginia (DNR), a consent order was concurrently entered into by the DNR and the Town before the Circuit Court of McDowell County and the Town is required by that decree to construct a sewage treatment system. (Tr., p. 11).

On October 13, 1992, by ordinance, the Town formed a Sanitary Sewer Board. By this same ordinance, the Town adopted rates of \$32.44 for general customers. (Tr., p. 12). The Mayor explained that, presently, the Town had a flat rate of \$16.05 a month. (Tr., p. 12).

The Mayor testified that the fines for not having a treatment facility are now \$300 to \$400 a day. (Tr., p. 14). The Governor's Office assisted with additional Grant Funds for the project. The Environmental Protection Agency (EPA) provided 1.5 million dollars and then the Governor's Office provided another \$631,000. Later, the Town offered \$80,000. (Tr., p. 16).

The Mayor stated that the Town has already paid \$35,000 for the site of the new project and that, in his opinion, the Town needs and wants this new sewer system. (Tr., pp. 17-18). The Mayor also stated that he feels that everyone will pay the bills connected with the new service. (Tr., p. 17).

On cross-examination, the Mayor stated that the Town has four employees and that the Town's sources of revenues comes from its B&O taxes and water revenues. The Mayor also stated that the Town is proposing that a tap fee be charged for residents, with a higher fee to be charged for those who hook on later. (Tr., p. 32).

Gladys Wood was called as a witness on behalf of the Town of Bradshaw, along with Ballard Chafin, John C. Muncy, and Sadie Harrison. Five other residents were present and were ready to give basically the same testimony. The above-named witnesses, generally, testified that they support the new sewer project and that they will be willing to pay rates in the range of \$32.00 or more, plus a \$100 hook-up fee for the new sewer project. (Tr., pp. 35-59).

Mr. Bradley C. Craig was called as a witness on behalf of the Town of Bradshaw. Mr. Craig is the Town's Engineer and has been working in this field for seven (7) years. While employed for Draper Aden Associates, Mr. Craig was given the responsibility to design the new sewer system for the Town of Bradshaw. (Tr., p. 62).

Mr. Craig testified that the proposed system was a vacuum connection system, as opposed to a gravity system. Based on sheer cost, the vacuum system is a better, and a more economically feasible, system. Also, the terrain in this area is rocky and hilly. The vacuum sewer design allows the Town to minimize the depth of excavation. (Tr., pp. 66-68). Mr. Craig also stated that this type of system allows EPA funding to go from 55% to 75% participation on the project. (Tr., p. 67). Mr. Craig testified that the operating costs of this system would be about \$58,300 a year and that the actual construction cost was determined by bids. (Tr., p. 70). Mr. Craig stated that the Town has a customer base of about 230 to 250 customers. (Tr., pp. 73-75).

On cross-examination, Mr. Craig was asked about the 41 customers who were presently hooked-on to the Town's existing trunk line. Mr. Craig stated that there is no historical data to substantiate the 41 customers, so, in essence, the Town had to work out an arrangement where these customers were going to be served with a new line. Mr. Craig also noted that the old trunk line probably has leaks. If ground water gets into the line, excessive flows are sent to the treatment plant. This adds more cost to the power. (Tr., p. 82).

Mr. Craig also referred to the Staff Memorandum, which referred to increased construction costs of \$17,400, regarding those customers who are currently hooked onto the line. If an arrangement cannot be made whereby these customers would either pay a tap fee or a charge equal to the tap fee during construction, that money could be taken out of the contingency fund to be used to pay for their service hookups. Mr. Craig stated there is about \$108,000 in the contingency fund. (Tr., p. 82).

On cross-examination, Mr. Craig agreed that, due to the elevation in the Bradshaw area, it would cost more to extend a line to the vacuum system than it would a gravity system. (Tr., p. 92). Mr. Craig also agreed that any customer that would want to hook onto the vacuum system would have to pay \$2,500 in addition to the \$200 tap fee. (Tr., p. 93).

Jeffrey Feamster was called as a witness on behalf of the Town. Mr. Feamster is a Certified Public Accountant and has been for ten (10) years. As a part of his practice, he represents water and sewer utilities. Mr. Feamster testified that he was employed by the Town of Bradshaw to submit a Rule 42 Exhibit on behalf of the Town's application to construct a sewer system. (Tr., p. 103). This exhibit, with revisions reflecting a date of September 29, 1992, was admitted into evidence, as Town Exhibit No. 3.

Mr. Feamster testified that the labor expenses for the operation of the proposed sewer system are \$27,500 annually, which reflects one full-time and two part-time employees. Staff's proposed labor expense is \$37,500. Staff increased the Town's labor by \$10,000 and increased the taxes by \$300. (Tr., p. 106). Mr. Feamster stated that the \$27,500 is for one full-time and two part-time employees. Mr. Feamster stated that the labor is based on a comparison of other small municipalities. Mr. Feamster testified that, based upon his experience with other small municipalities, one full-time and two part-time employees are sufficient to accomplish the needs of this project. (Tr., pp. 106-107).

Mr. Feamster also testified about vehicle expense. According to Mr. Feamster, the \$4,500 that Staff is showing for the vehicle expense is extremely high. The sewer system would not need a vehicle by itself. Both the water and sewer systems could use the same truck. (Tr., p. 108).

Mr. Feamster also commented on Staff's recommendation concerning late payment penalties and uncollectible account expenses. Staff shows that the uncollectibles are basically lost, so there is no cost or benefit derived from either one. In the Town's Rule 42 Exhibit, it was suggested that the Town borrow the reserve for WDA, approximately \$23,000 up front. Some interest earnings and revenues will be generated by this. (Tr., pp. 108-109).

Mr. Feamster noted that there was an effort by State and Federal Government to grant additional funding in an effort to keep the rates in the thirty-dollar (\$30) range. (Tr., p. 111).

Mr. William Aden was called as a witness on behalf of the Town. Mr. Aden is a registered professional engineer in seven states, including West Virginia and Virginia, and has been so since 1971. Mr. Aden testified that he is the reviewing engineer for the Town of Bradshaw project and has been involved in the process of obtaining a sewer service for McDowell County, since the late 1970's. (Tr., p. 116). Mr. Aden testified that one of the reasons that the proposed treatment plant design was chosen was because it generates very little sludge. Another reason is because it is a very common form of treatment. (Tr., p. 119). According to Mr. Aden, he was convinced that he had chosen the best system for Bradshaw due to the extreme cost of the gravity collection system, and the additional money that was available through Environmental Protection Agency (EPA) to fund this type of project. (Tr., pp. 121-122).

Albert Morton was called as a witness on behalf of the Town of Bradshaw. Mr. Morton is an engineer and works for the Division of Environmental Protection as a project engineer. Mr. Morton testified that he has been working for the Division of Environmental Protection for eleven

(11) years. Mr. Morton stated that he has reviewed the operation and maintenance of the budget, as proposed in the Rule 42 Exhibit, and he considers both to be adequate. (Tr., p. 132). On cross-examination, Mr. Morton agreed that any new customer would have to pay the cost of the line running from their home to the main, in addition to paying a \$100 tap fee. (Tr., p. 139).

Mr. Laidley Eli McCoy was called as a witness on behalf of the Town of Bradshaw. Mr. McCoy is Chief of the Division of Natural Resources (DNR). As such, Mr. McCoy is responsible for the overall management of the construction grant group and the enforcement/permitting component of the Division of Natural Resources. Mr. McCoy testified that his basic responsibility as Chief of the Division is to insure that the waters of the State and the nation are protected.

Mr. McCoy stated that, in order for the Town of Bradshaw to meet the requirements of both State and Federal law, the Town is going to have to treat the raw sewage and meet established effluent limits for its permit. (Tr., p. 153). Mr. McCoy testified that an NPDES permit was issued to build the sewer project in June or July of 1992. A Consent Order was concurrently entered into by the DNR and the Town before the Circuit Court of McDowell County. Under the terms of the Consent Decree, if this project is not approved, the Town would owe the EPA \$300,000 in stipulated penalties. A \$2,000,000 EPA Grant for the project would be withdrawn and, in addition to that, the EPA would recommend that Bradshaw be referred to the agency as a Federal enforcement case. (Tr., p. 158). Mr. McCoy explained that the EPA has not sought to recover any of those penalties at this point because the Town of Bradshaw is moving toward construction. (Tr., p. 159). In addition to requesting those stipulated penalties, Mr. McCoy represented that the agency would request (or require) all of the individual customers to pay a certain rate to the State's Sinking Fund Commission in order to fund an acquisition and construction package. (Tr., p. 160).

Mr. Charles E. Windham was called as a witness on behalf of Commission Staff. Mr. Windham is employed by the Public Service Commission as a Utility Engineer and has served in that capacity since 1981.

Mr. Windham prepared a Final Staff Memorandum which was introduced into evidence as Staff Exhibit No. 3. Mr. Windham raised the following concerns:

1. The Town does not have a multiple occupancy clause within that tariff. Therefore, all multiple occupancy buildings with one service connection will be served and billed as one customer. (Tr., p. 171; Staff Exhibit No. 3, p. 2).
2. Because the water system is currently an unmetered system, it is not known how many gallons of flow will actually go through the system. It is possible the designed treatment plant capacity may not be adequate, based upon actual flows. (Tr., p. 173).

3. Since the proposed system is innovative, Mr. Windham questioned whether or not the operator would be familiar with the system. (Tr., p. 174).
4. Mr. Windham also pointed out that the new sewer service laterals to 89 customers who currently have septic tanks will need to bypass the septic tanks and fields. Otherwise, there would be septic leakage into the new collection system. (Tr., pp. 172-173; Staff Exhibit No. 3, p. 2).
5. Another concern of Mr. Windham's was the construction of new service laterals to the 41 existing customers of the sewage collection system.
6. Mr. Windham also stated that he is concerned about the Town building a project that it probably cannot afford in light of the Town's diminishing population. (Tr., p. 178).

Mr. Windham recommended that the Commission should certify the existing sewage collection system but that the Commission should deny the application to construct the new sewage treatment plant.

Mr. Sterling E. Bare was called as a witness on behalf of the Commission's Staff. Mr. Bare is a Utility Analyst in the Utilities Division and has been employed in this capacity for several years.

Mr. Bare testified that, during the course of his employment, he was directed to do a financial analysis of the project which is the subject of this proceeding. Mr. Bare sponsored a Final Staff Memorandum, which he prepared, which contained the findings and conclusions of his analysis. This Memorandum was introduced into evidence as Staff Exhibit No. 5. Mr. Bare made corrections to that exhibit based upon the latest debt service numbers received at the hearing, and the revised capital cost and project budget, which reflects the loan amount of \$254,000, and includes the prefunding of the reserve account. The loan figure initially provided to Staff was \$233,000, at 7 1/2% interest. Based on the latest budget received as of the day of the hearing, the \$254,000 loan would generate a debt service requirement of \$19,685 a year, based on 7 3/4% interest. Mr. Bare stated that these changes do not, however, change his basic recommendation, in which he concluded that the project was not economically feasible and recommended that the project be denied. (Tr., pp. 203-204).

Mr. Bare explained that his primary concern was that the rates passed by the Town are not adequate to fund the project as presented. (Tr., p. 204). However, Mr. Bare was reluctant to recommend a rate without a true cost evaluation. (Tr., p. 222).

FINDINGS OF FACT

1. Presently, the Town of Bradshaw has a sewer trunk line that allows untreated raw sewage to flow into the Bradshaw stream. (Tr., p. 9).
2. The Town is under a Consent Decree from the Circuit Court of McDowell County to construct a sewage treatment plant. (Tr., pp. 11, 14, 157-160).
3. This project is 94% funded by state and federal government grants. (Tr., pp. 111, 161).
4. Mr. Craig, the Town's Engineer, testified that, based on sheer cost, the vacuum system is more economical. (Tr., pp. 66-68).
5. Mr. Feamster, the Town's Certified Public Accountant, stated that the Town's Revised Rule 42 Exhibit reflects a realistic estimate of expenses. (Tr., p. 109).
6. Mr. Morton, Project Engineer for the Division of Environment Protection, testified that the expenses in the Town's Rule 42 Exhibit are comparable to the expenses experienced by similar systems. (Tr., pp. 132-134).
7. Mr. Morton also reviewed the operation and maintenance budget as prepared in the Rule 42 Exhibit and found them to be adequate. (Tr., p. 132).
8. Mr. McCoy, Chief of the Division of Natural Resources, also testified that, if this project is not approved, the Town would owe the EPA \$300,000 in stipulated penalties, a \$2,000,000 grant would be withdrawn and the EPA would request that all of the individual customers pay a certain rate or charge to the State's Sinking Fund. (Tr., p. 160).
9. Mr. Windham, a Utility Engineer for the Public Service Commission, was concerned that the Town was building a project that was too expensive in light of the Town's diminishing population. (Tr., p. 178).
10. Mr. Bare, a Utility Analyst for the Commission, stated that the Town's rates, as provided, are not adequate to support the Town's new sewer project. (Tr., p. 204).
11. Staff would not recommend a rate without a true cost estimation. (Tr., p. 222).

DISCUSSION

The Town has met its burden in proving that there is a need for this new service and that the rates proposed by the Town are adequate. The Town has presented a very compelling case through its Mayor, Town residents, accountants and engineers. Even the Division of Environmental

Protection testified in favor of this project. On the other hand, Staff's position is that the Town is proposing a system that it cannot afford, and that the rate structure is not sufficient to support the sewer project.

According to the Mayor, the Town has adopted rates of \$32.44 for general customers. The Mayor and residents of the Town testified that they would financially support the new sewer project. Mr. Craig, the designing engineer, stated that, based on sheer cost, the vacuum system was more economical than a gravity system. Mr. Feamster, the CPA, stated that the Town's Rule 42 Exhibit reflects a realistic estimate of expenses. Mr. Aden, whose firm designed this system, stated that additional monies are available to construct this type of sewer system. Mr. Martin, an engineer with the EPA, stated that he has reviewed the operation and maintenance budget and it is adequate. State and Federal Government monies have reached a 94% level in funding this project and the Town is under a Consent Decree to construct a sewer treatment plant. The penalties for failing to comply with the Consent Decree have the potential to cost the Town \$300 to \$400 a day in fines. Further, Mr. McCoy, Chief of the DNR, stated that, if this project does not go through, the Town would have to return a \$2,000,000 grant.

Staff has presented some significant concerns which should be addressed. First, the Town does not have a multiple-occupancy clause in its tariff, therefore all multiple-occupancy buildings with one (1) service connection are considered as only one (1) customer and could only be billed as such. The Town should adopt a multiple-occupancy clause as soon as possible. Another issue raised by Staff in this case is the cost to connect the approximately 41 existing customers that are currently being served by the Town's existing sewer collection lines. The main existing collection system 10-inch line discharges into Bradshaw Creek behind the Elementary School. These 41 customers should be granted consideration under Sewer Rule 5.04(14) and the cost of constructing their service laterals should be borne by the Town out of its contingency fund. Additionally, the DEP has strenuously argued that the existing customers should be required to pay tap fees to connect to the new system. This proposal violates Commission policy and Sewer Rule 5.4 and, therefore, the ALJ will direct that the existing customers not be required to pay a tap fee to connect to the new system.

Another of Staff's concerns regards the 89 proposed customers that currently have septic tanks and/or cesspools for their current sewage disposal. The proposed new sewer service laterals from each premise will need to bypass any septic tank in order to prevent septic sewage from entering into the Town's proposed new system. Staff recommends that the Town approve, adopt and enact a Sewer Use Ordinance. This Sewer Use Ordinance should be in compliance with U.S. EPA, WV Health & Human Services, and Environmental Protection Division requirements. It should also specify that the cost to construct the bypass lateral from the premises to the property line is to be borne by each of these customers. The ALJ is of the opinion that the Staff recommendation on this issue is reasonable and should be adopted.

CONCLUSIONS OF LAW

1. The Town of Bradshaw has been functioning as a utility and should be given the status of a utility in accordance with West Virginia Code §24-2-1.

2. The Town of Bradshaw should be granted a certificate of convenience and necessity to construct a sewer system.

3. The 41 existing customers of the sewage collection system in the Town should be granted relief under Sewer Rule 5.04(14) and the costs of constructing their service laterals to the new system shall be borne by the Town, out of its contingency funds. Additionally, the existing 41 customers of the Town's collection system shall not be required to pay tap fees in order to connect to the new system.

4. The Town should adopt a sewer use ordinance as recommended by Staff Engineer Windham to adequately address the connection of customers to the new system who will be abandoning septic tanks and cesspools.

5. The Town should adopt a multiple-occupancy clause as soon as possible.

6. The Town has met its burden in establishing that it has adopted adequate rates to finance the proposed system, assuming that the Town adopts a multiple-occupancy clause.

ORDER

IT IS, THEREFORE, ORDERED that a certificate of convenience and necessity, be, and it hereby is, granted to the Town of Bradshaw to construct a sewer treatment and collection system, as requested in its application.

IT IS FURTHER ORDERED that the Town of Bradshaw be, and it hereby is, determined to be a utility in accordance with West Virginia Code §24-2-1, with respect to the existing sewage collection system in the Town.

IT IS FURTHER ORDERED that the proposed funding of this project, be, and it hereby is, approved.

IT IS FURTHER ORDERED that the existing customers of the Town's sewage collection system be granted relief under Sewer Rule 5.04(14) and that the costs of connecting these customers to the new system be borne by the Town. Additionally, these 41 existing customers shall not be required to pay a tap fee in order to connect to the new system.

IT IS FURTHER ORDERED that the Town of Bradshaw adopt a sewer use ordinance which complies with the recommendation of Staff Engineer Windham stated in Staff Exhibit 3, and which particularly specifies that, with respect to the customers who will be abandoning septic systems or

cesspools, the cost of constructing the service laterals from the premises to be served to the property line is to be borne by the customers.

IT IS FURTHER ORDERED that the Town of Bradshaw adopt a multiple-occupancy clause for its sewer tariff as soon as possible.

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

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Miles C. Cary
Miles C. Cary
Administrative Law Judge

MCC:jas

TOWN OF BRADSHAW

CASE NO. 92-0668-S-CN

SCHEDULE OF RATESAPPLICABILITY

Applicable to the entire area served.

AVAILABILITY OF SERVICE

Available for general domestic and commercial sanitary sewer service.

RATES (Based upon unmetered water supply) Per Month

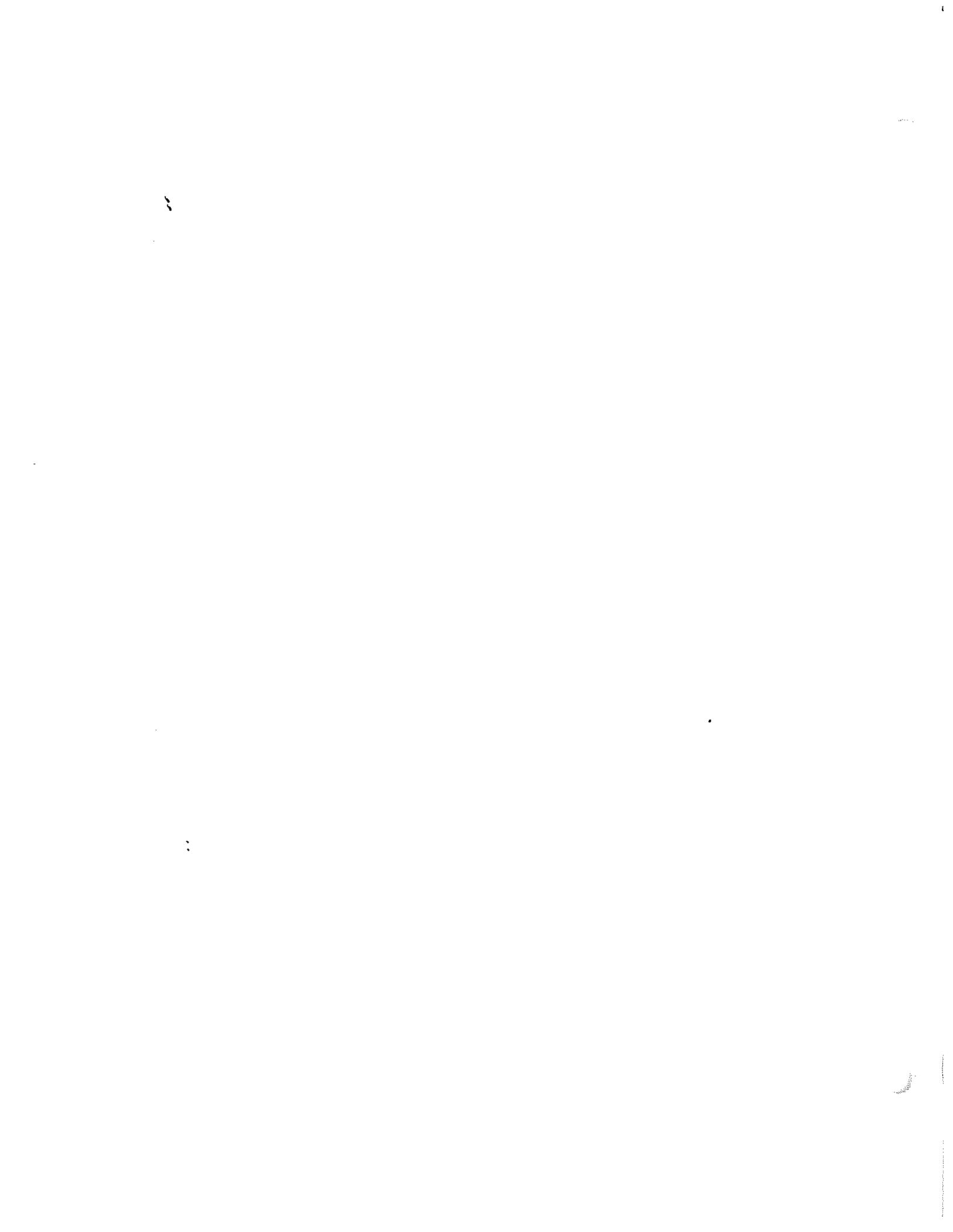
\$ 32.44	General Customer
\$119.44	Junior High School
\$ 89.58	Elementary School
\$119.44	Laundromat

DELAYED PAYMENT PENALTY

The above tariff is net on all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the current net charge.

SERVICE CONNECTION FEES

Connection made by Town	\$200.00
Connection made during construction	\$100.00
Connection made after construction	\$250.00



5

6

7

TOWN OF BRADSHAW

Sewer Revenue Bonds,
Series 1993 A and Series 1993 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 WILLIAM B. LAXTON, Mayor of the Town of Bradshaw (the "Issuer"), hereby certify as follows:

1. On the 31st day of March, 1993, the Authority received the entire original issue of \$254,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1993 A and Series 1993 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 March 31, 1993, the Series 1993 A Bond being in the principal amount of \$245,806 and the Series 1993 B Bond being in the principal amount of \$8,194.

2. At the time of such receipt of the Series 1993 A Bonds and the Series 1993 B Bonds upon original issuance, all of the Series 1993 A Bonds and the Series 1993 B Bonds had been executed by William B. Laxton, as Mayor of the Issuer, and by Susie Shelton, as Recorder of the Issuer, by their respective manual signatures, 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 Series 1993 A Bonds and the Series 1993 B Bonds, of the proceeds of the Series 1993 A Bonds in the aggregate principal amount of \$245,806 and proceeds of the Series 1993 B Bonds in the aggregate principal amount of \$8,194 (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 the TOWN OF BRADSHAW has caused this receipt to be duly executed and delivered by its Mayor, as of this 31st day of March, 1993.

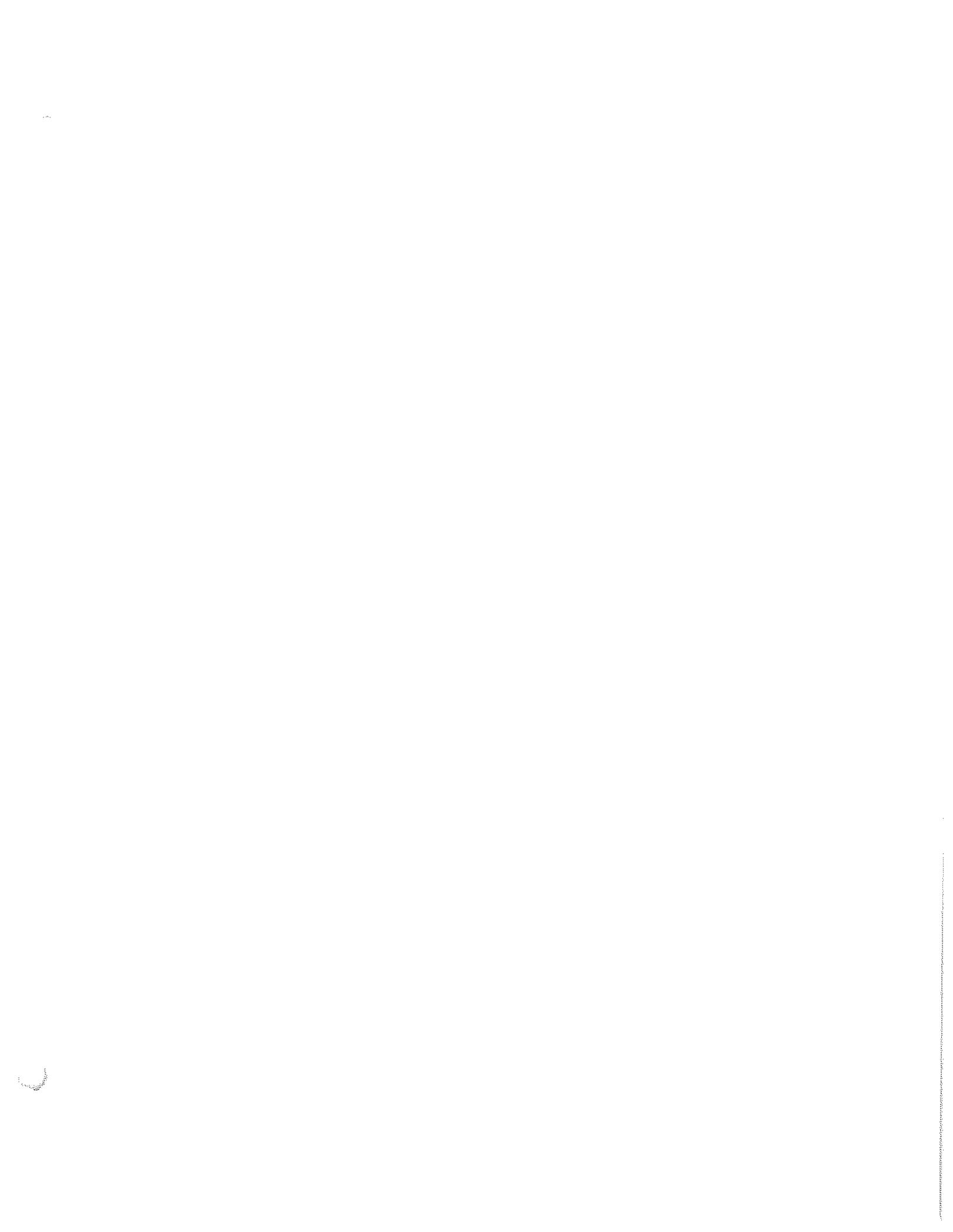
WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Barbara B. Meadows
Secretary-Treasurer

TOWN OF BRADSHAW

By William B. Lester
Mayor

03/24/93
BRADJ.M2
09966/90001



TOWN OF BRADSHAW

Sewer Revenue Bonds,
Series 1993 A and Series 1993 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 Town of Bradshaw Sewer Revenue Bonds, Series 1993 A, in the principal amount of \$245,806, and Bond No. BR-1, constituting the entire original issue of the Town of Bradshaw Sewer Revenue Bonds, Series 1993 B, in the principal amount of \$8,194, both dated March 31, 1993 (collectively, the "Bonds"), executed by the Mayor and the Recorder of the Town of Bradshaw (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond and Notes Ordinance and Supplemental Resolution duly enacted and adopted by the Issuer (collectively, the "Local Act");

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

(3) Executed counterparts of the loan agreement and the supplemental loan agreement, both dated March 31, 1993, by and between 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 Bonds.

You are hereby requested and authorized to deliver the Series 1993 A Bonds and Series 1993 B Bonds to the Authority upon payment to the account of the Issuer of the sum of \$254,000, representing the agreed aggregate purchase price of the Series 1993 A Bonds and Series 1993 B Bonds, there being no accrued interest thereon. Prior to such delivery of the Series 1993 A Bonds and

7

Series 1993 B Bonds, you will please cause the Series 1993 A Bonds and Series 1993 B Bonds to be authenticated by an authorized officer, as Bond Registrar for the Series 1993 A Bonds and Series 1993 B Bonds, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated this 31st day of March, 1993.

TOWN OF BRADSHAW

By William B. Lipton
Its Mayor

03/24/93
BRADJ.N2
09966/90001

(Specimen Series 1993 A Bond)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BRADSHAW
SEWER REVENUE BOND,
SERIES 1993 A

No. AR-1

\$245,806

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BRADSHAW, a municipal corporation and political subdivision of the State of West Virginia in McDowell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO HUNDRED FORTY-FIVE THOUSAND EIGHT HUNDRED SIX DOLLARS (\$245,806), 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, 1993. 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 March 31, 1993.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new public 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 fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. The Project and any additions, betterments and 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 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on February 23, 1993, and a Supplemental Resolution duly adopted by the Issuer on March 29, 1993 (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 SENIOR AND PRIOR WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE SEWER REVENUE BONDS, SERIES 1993 B, OF THE ISSUER ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$8,194 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1993 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, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1993 A Bonds Reserve Account"), unexpended proceeds of the Bonds and the Series 1993 B Bonds and any other sources provided in the Bond Legislation. 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 1993 A Bonds Reserve Account, unexpended proceeds of the Bonds and the Series 1993 B Bonds and any other sources provided in the Bond Legislation. 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 1993 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 1993 B Bonds, provided however, that so long as there exists in the Series 1993 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 1993 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1993 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, 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, the TOWN OF BRADSHAW has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated March 31, 1993.

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1993 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 31, 1993.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

West Virginia Water Development Authority
 Interest Bearing Local Loan from Series 1991 A Pool
 Debt Service Schedule - Town of Bradshaw

Closing: 3/31/93
 Interest Bearing Loan: \$245,806.00

*ERROR 1810TS S/B 180/360
 \$9524.98*

Date	Coupon	Principal	Interest	Debt Service
10/1/93	7.75%	\$1,096.00	\$9,577.90	\$10,673.90 10,620.98
10/1/94	7.75%	1,181.00	18,965.03	20,146.03
10/1/95	7.75%	1,273.00	18,873.50	20,146.50
10/1/96	7.75%	1,372.00	18,774.84	20,146.84
10/1/97	7.75%	1,477.00	18,668.51	20,145.51
10/1/98	7.75%	1,593.00	18,554.04	20,147.04
10/1/99	7.75%	1,715.00	18,430.59	20,145.59
10/1/00	7.75%	1,849.00	18,297.67	20,146.67
10/1/01	7.75%	1,992.00	18,154.38	20,146.38
10/1/02	7.75%	2,146.00	18,000.00	20,146.00
10/1/03	7.75%	2,313.00	17,833.68	20,146.68
10/1/04	7.75%	2,492.00	17,654.42	20,146.42
10/1/05	7.75%	2,685.00	17,461.29	20,146.29
10/1/06	7.75%	2,893.00	17,253.21	20,146.21
10/1/07	7.75%	3,117.00	17,029.00	20,146.00
10/1/08	7.75%	3,359.00	16,787.43	20,146.43
10/1/09	7.75%	3,619.00	16,527.11	20,146.11
10/1/10	7.75%	3,900.00	16,246.64	20,146.64
10/1/11	7.75%	4,202.00	15,944.39	20,146.39
10/1/12	7.75%	4,527.00	15,618.73	20,145.73
10/1/13	7.75%	4,878.00	15,267.89	20,145.89
10/1/14	7.75%	5,257.00	14,889.84	20,146.84
10/1/15	7.75%	5,663.00	14,482.43	20,145.43
10/1/16	7.75%	6,103.00	14,043.54	20,146.54
10/1/17	7.75%	6,575.00	13,570.56	20,145.56
10/1/18	7.75%	7,085.00	13,061.00	20,146.00
10/1/19	7.75%	7,634.00	12,511.91	20,145.91
10/1/20	7.75%	8,226.00	11,920.28	20,146.28
10/1/21	7.75%	8,863.00	11,282.76	20,145.76
10/1/22	7.75%	9,551.00	10,595.88	20,146.88
10/1/23	7.75%	10,290.00	9,855.67	20,145.67 <i>513.68</i>
10/1/24	7.75%	11,088.00	9,058.20	20,146.20
10/1/25	7.75%	11,948.00	8,198.88	20,146.88
10/1/26	7.75%	12,873.00	7,272.91	20,145.91
10/1/27	7.75%	13,871.00	6,275.25	20,146.25
10/1/28	7.75%	14,946.00	5,200.25	20,146.25
10/1/29	7.75%	16,104.00	4,041.94	20,145.94
10/1/30	7.75%	17,353.00	2,793.88	20,146.88
10/1/31	7.75%	18,697.00	1,449.02	20,146.02
		<u>\$245,806.00</u>	<u>\$530,424.45</u>	<u>\$776,230.45</u>

(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:

(Specimen Series 1993 B Bond)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BRADSHAW
SEWER REVENUE BOND,
SERIES 1993 B

No. BR-1

\$8,194

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BRADSHAW, a municipal corporation and political subdivision of the State of West Virginia in McDowell 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 THOUSAND ONE HUNDRED NINETY-FOUR DOLLARS (\$8,194), 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 March 31, 1993.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new public sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The Project and any additions, betterments and 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 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on February 23, 1993, and a Supplemental Resolution duly adopted by the Issuer on March 29, 1993 (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 JUNIOR AND SUBORDINATE WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE SEWER REVENUE BONDS, SERIES 1993 A, OF THE ISSUER ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$245,806 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1993 A BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1993 A Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1993 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 1993 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 1993 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1993 A Bonds or the Bonds, provided, however, that so long as there exists in the Series 1993 B Bonds Reserve Account and the reserve account established for the Series 1993 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 1993 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations 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 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 owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1993 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, the TOWN OF BRADSHAW has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated March 31, 1993.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1993 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 31, 1993.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

West Virginia Water Development Authority
 Interest Free Local Loan from Series 1991 A Pool
 Debt Service Schedule - Town of Bradshaw

Closing: 3/31/93
 Interest Free Loan: \$8,194.00

Date	Interest Free Loan	Debt Service
10/1/93	\$210.10	\$210.10
10/1/94	210.10	210.10
10/1/95	210.10	210.10
10/1/96	210.10	210.10
10/1/97	210.10	210.10
10/1/98	210.10	210.10
10/1/99	210.10	210.10
10/1/00	210.10	210.10
10/1/01	210.10	210.10
10/1/02	210.10	210.10
10/1/03	210.10	210.10
10/1/04	210.10	210.10
10/1/05	210.10	210.10
10/1/06	210.10	210.10
10/1/07	210.10	210.10
10/1/08	210.10	210.10
10/1/09	210.10	210.10
10/1/10	210.10	210.10
10/1/11	210.10	210.10
10/1/12	210.10	210.10
10/1/13	210.10	210.10
10/1/14	210.10	210.10
10/1/15	210.10	210.10
10/1/16	210.10	210.10
10/1/17	210.10	210.10
10/1/18	210.10	210.10
10/1/19	210.10	210.10
10/1/20	210.10	210.10
10/1/21	210.10	210.10
10/1/22	210.10	210.10
10/1/23	210.10	210.10
10/1/24	210.10	210.10
10/1/25	210.10	210.10
10/1/26	210.10	210.10
10/1/27	210.10	210.10
10/1/28	210.10	210.10
10/1/29	210.10	210.10
10/1/30	210.10	210.10
10/1/31	210.20	210.20
	<u>\$8,194.00</u>	<u>\$8,194.00</u>

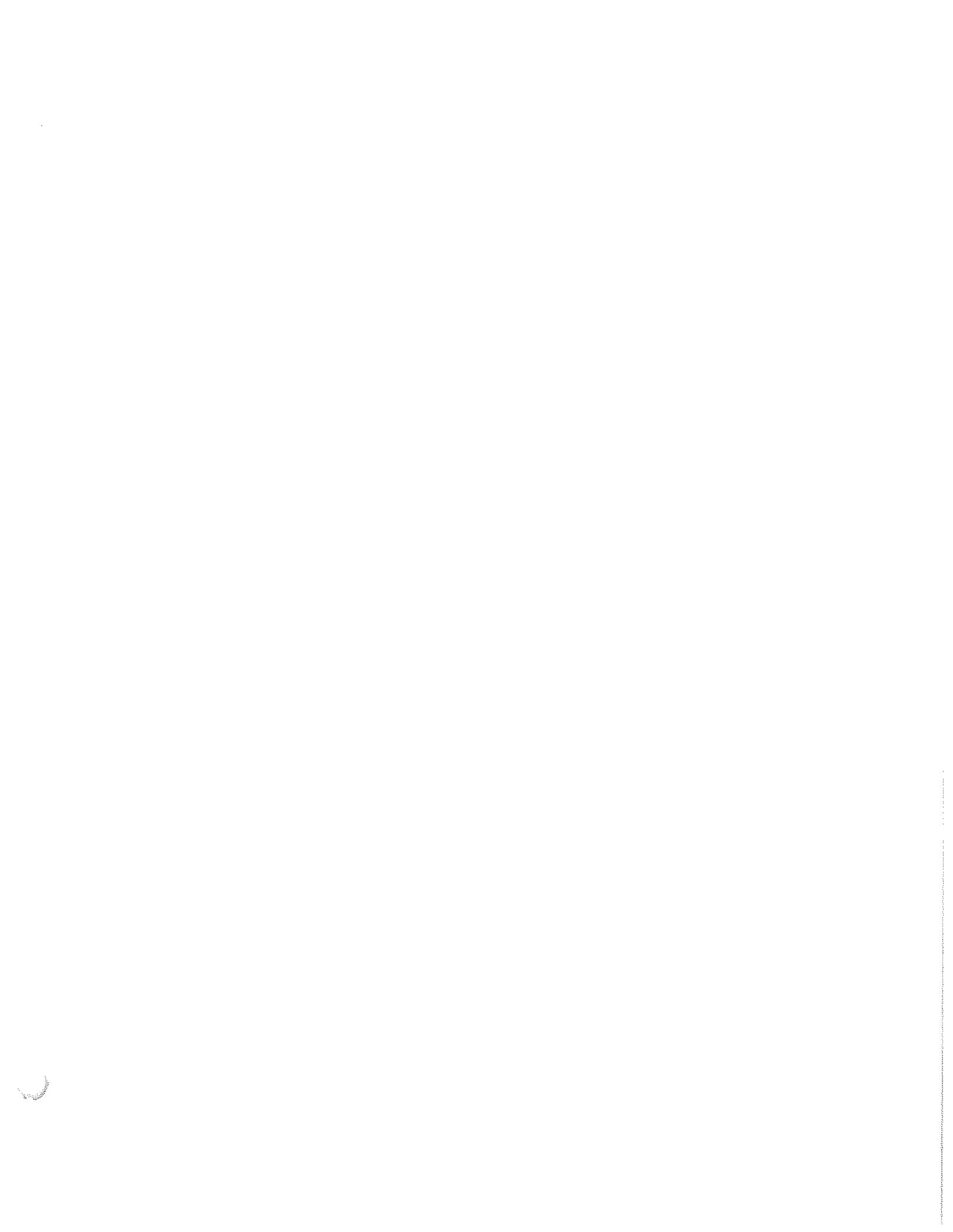
ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:



STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

March 31, 1993

Town of Bradshaw

Sewer Revenue Bonds, Series 1993 A

715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25328-1588
(304) 353-8000
FACSIMILE (304) 353-8180

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25401-5429
(304) 263-6991
FACSIMILE (304) 263-4785

104 WEST CONGRESS STREET
P. O. BOX 100
CHARLES TOWN, W. VA. 25414-0100
(304) 725-1414
FACSIMILE (304) 725-1913

THE BRYAN CENTRE
82 WEST WASHINGTON STREET, SUITE 401
HAGERSTOWN, MARYLAND 21740-4804
(301) 791-6620
FACSIMILE (301) 739-3948

WRITER'S DIRECT DIAL NUMBER

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 the Town of Bradshaw (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$245,806 Sewer Revenue Bonds, Series 1993 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 March 31, 1993, 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 October 1 and April 1 of each year, commencing October 1, 1993, at the rate of 7.75% per annum, and with principal installments payable on October 1 in each of the years 1993 through 2031, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made apart 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 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) financing a portion of the costs of acquisition and construction of certain new public 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; (iii) funding a reserve account for the Local Bonds; and (iv) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Local Statute, the Bond and Notes Ordinance duly enacted by the Council of the Issuer on February 23, 1993, as supplemented by a Supplemental Resolution duly adopted March 29, 1993 (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 municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System 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 ordinances and resolutions have been duly and effectively enacted and 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, 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 the purpose 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 or any county, municipality, political subdivision or agency thereof, and the interest on the Local Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Local Bonds and the enforceability of the Local Bonds, the Loan Agreement and the Local Act, and the liens and pledges 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.

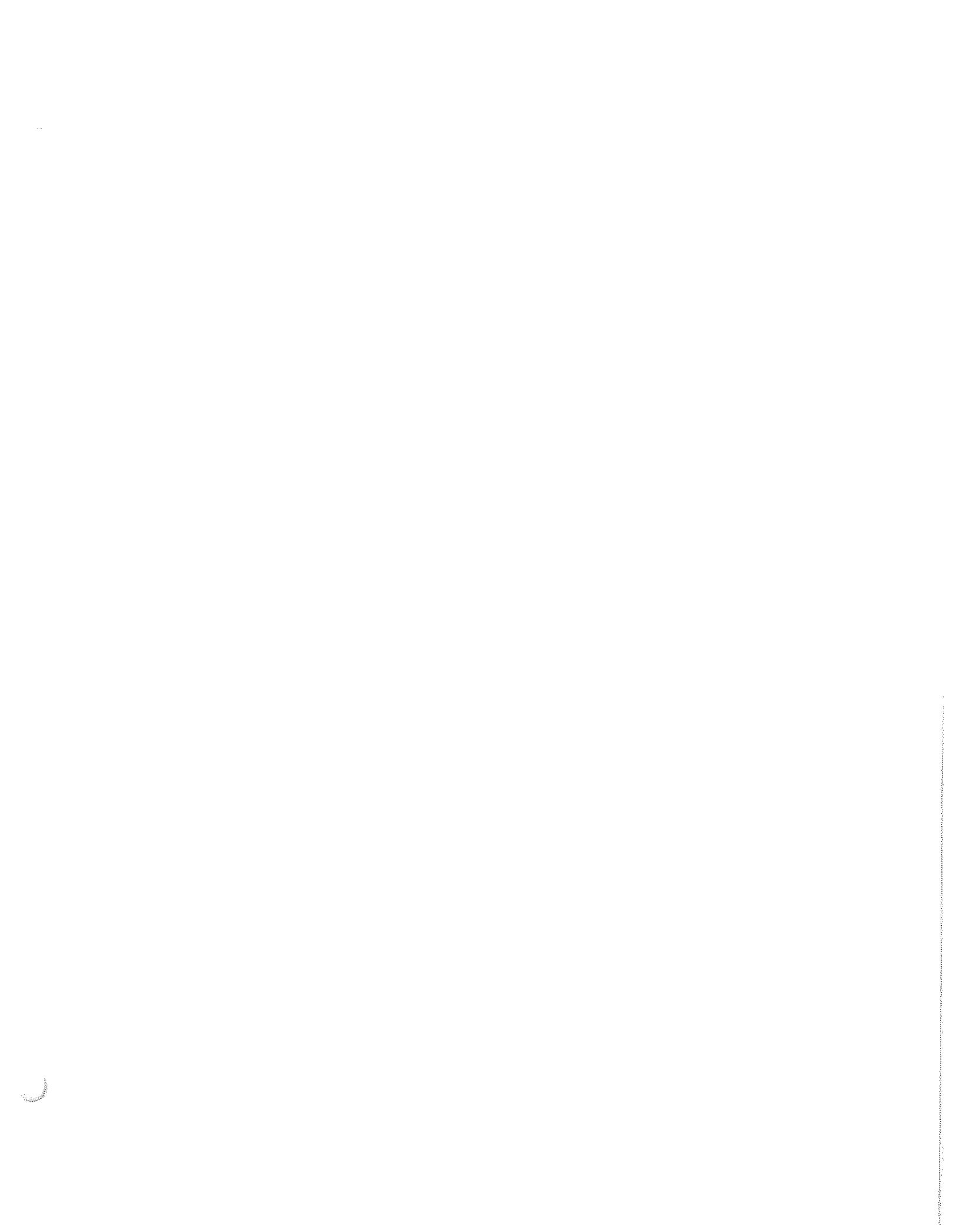
We have examined the executed and authenticated Local Bond numbered AR-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

Stephoe & Johnson

STEPHOE & JOHNSON

03/24/93
BRADJ.02
09966/90001



STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

March 31, 1993

Town of Bradshaw

Sewer Revenue Bonds, Series 1993 B

715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25326-1588
(304) 353-8000
FACSIMILE (304) 353-8180

1000 HAMPTON CENTER
P. O. BOX 1816
MORGANTOWN, W. VA. 26507-1816
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25401-5429
(304) 263-6991
FACSIMILE (304) 263-4785

104 WEST CONGRESS STREET
P. O. BOX 100
CHARLES TOWN, W. VA. 25414-0100
(304) 725-1414
FACSIMILE (304) 725-1913

THE BRYAN CENTRE
82 WEST WASHINGTON STREET, SUITE 401
HAGERSTOWN, MARYLAND 21740-4804
(301) 791-6620
FACSIMILE (301) 739-3948

WRITER'S DIRECT DIAL NUMBER

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 the Town of Bradshaw (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia of its \$8,194 Sewer Revenue Bonds, Series 1993 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 March 31, 1993, 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 1993 through 2031, inclusive, all as set forth in "Schedule X," attached to the Supplemental Loan Agreement and incorporated in and made a part of the Supplemental Bonds.

The Supplemental Loan Agreement is supplemental to a loan agreement also dated March 31, 1993, between the Issuer and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien, pledge and source of and security for payment to the "Sewer Revenue Bonds, Series 1993 A" (the "Local Bonds"), issued simultaneously herewith in the aggregate principal amount of \$245,806.

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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 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) financing a portion of the costs of acquisition and construction of certain new public sewerage facilities of the Issuer (the "Project"); (ii) funding a reserve account for the Supplemental Bonds; 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 Ordinance duly enacted by the Council of the Issuer on February 23, 1993, as supplemented by a Supplemental Resolution duly adopted March 29, 1993 (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 municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System 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 ordinances and resolutions have been duly and effectively enacted and 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, 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 or any county, municipality, political subdivision or agency thereof.

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 and 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

03/24/93
BRADJ.P2
09966/90001

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

March 31, 1993

Town of Bradshaw Sewer Revenue Bonds, Series 1993 A

715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25320-1588
(304) 353-8000
FACSIMILE (304) 353-8180

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 26401-8429
(304) 263-6991
FACSIMILE (304) 263-4785

104 WEST CONGRESS STREET
P. O. BOX 100
CHARLES TOWN, W. VA. 25414-0100
(304) 725-1414
FACSIMILE (304) 725-1913

THE BRYAN CENTRE
82 WEST WASHINGTON STREET, SUITE 401
HAGERSTOWN, MARYLAND 21740-4804
(301) 791-6620
FACSIMILE (301) 739-3948

WRITER'S DIRECT DIAL NUMBER

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 \$245,806 aggregate principal amount of Sewer Revenue Bonds, Series 1993 A (the "Local Bonds"), of the Town of Bradshaw (the "Issuer"), and a Certificate as to Arbitrage executed by the Mayor 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.

Accordingly, it is our opinion that, under existing statutes, regulations, rulings and court decisions, the Local Bonds are not "arbitrage bonds" as so defined. Assuming the West Virginia Water Development Authority (the "Authority") exclusively lends bond proceeds in a manner that does not result in its bonds being private activity bonds, as defined in the Code, and the use of the proceeds by each borrower from the Authority would not result in those proceeds being private activity bonds (if viewed as a separate issue), and assuming compliance by the Issuer with such Certificate as to Arbitrage, it is our further opinion that, based upon such Certificate as to Arbitrage and under existing statutes, regulations, rulings and court decisions, the proceeds of the Local Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code.

West Virginia Water Development Authority
Page 2

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

03/24/93
BRADJ.Q2
09966/90001



LAW OFFICES
WILLIAM S. WINFREY, II

1608 MAIN STREET WEST
POST OFFICE BOX 1150
PRINCETON, W. VA. 24740

TELEPHONE
304-487-1887
TELECOPIER
304-425-7340

FILE NO.

March 31, 1993

Town of Bradshaw
Sewer Revenue Bonds,
Series 1993 A and Series 1993 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:

I am counsel to the Town of Bradshaw, in McDowell County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson, as bond counsel, a loan agreement and supplemental loan agreement, both dated March 31, 1993, 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 relating to the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in said opinions, Local Act and Loan Agreement and not otherwise defined herein have the same meanings as therein when used herein.

I am of the opinion that:

1. 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.

2. The Issuer and the Sanitary Board of the Issuer have been duly created and are validly existing, and the Mayor, Recorder and members of the council and the Sanitary Board of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer.

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

4. Other than the Bonds, there are no outstanding bonds or obligations of the Issuer, which are secured by revenues or assets of the System.

5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Loan Agreement, and the carrying out of the terms thereof, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

6. The Issuer has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal. The time for appeal of the order of the Public Service Commission of West Virginia entered on January 29, 1993, in Case No. 92-0668-S-C N, granting to the Issuer a Certificate of Public Convenience and Necessity with respect to the Project, has expired prior to the date hereof without any appeal.

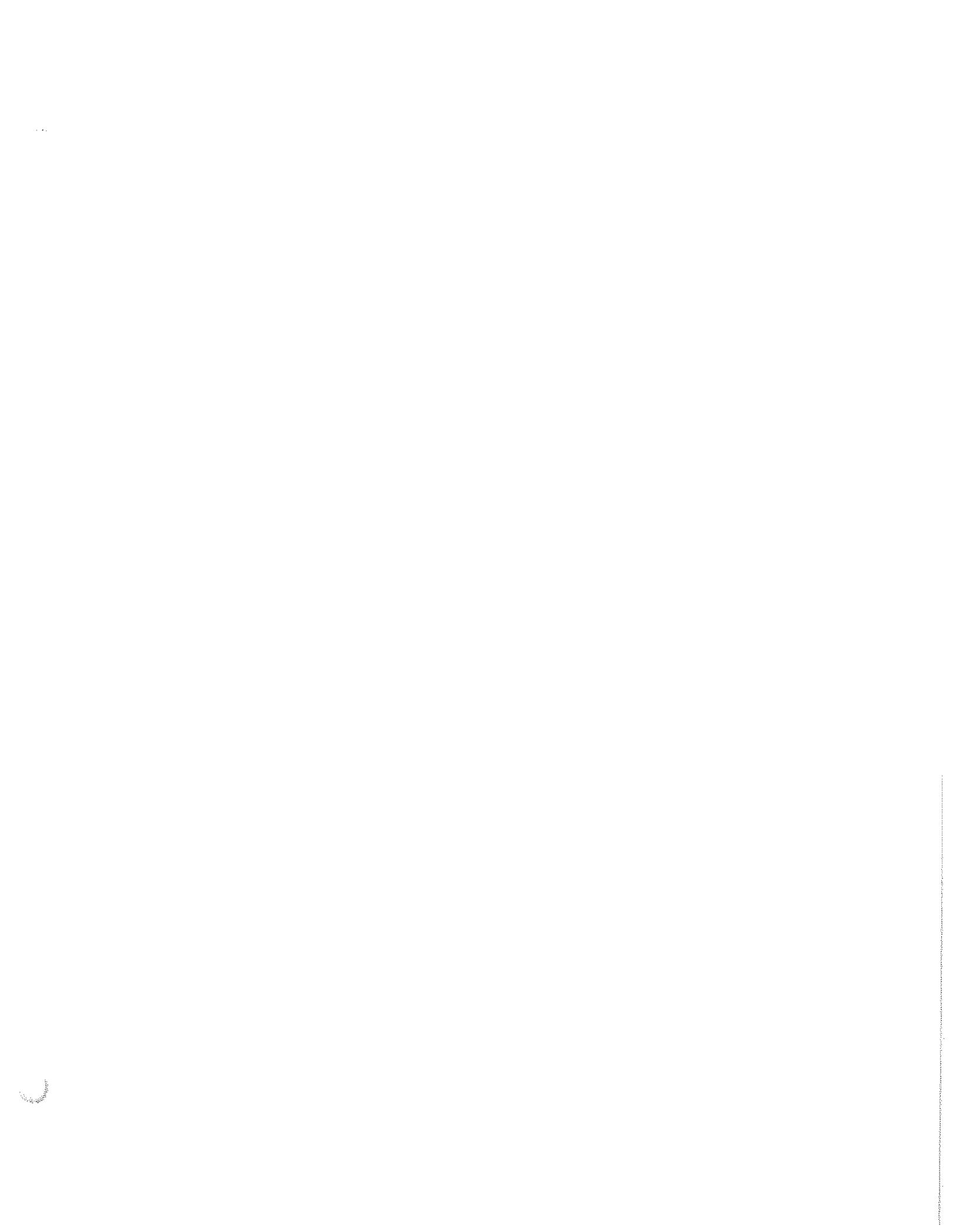
7. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, 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,



WILLIAM S. WINFREY, II



TOWN OF BRADSHAW

Sewer Revenue Bonds,
Series 1993 A and Series 1993 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, ETC.
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 AND PUBLIC HEARING ON BOND ORDINANCE
16. PUBLIC SERVICE COMMISSION ORDER
17. PRIVATE USE OF FACILITIES
18. NO FEDERAL GUARANTY
19. IRS INFORMATION RETURN
20. SPECIMEN BONDS
21. CONFLICT OF INTEREST

We, the undersigned MAYOR and RECORDER of the Town of Bradshaw, in McDowell County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the \$254,000 aggregate principal amount of the Town of Bradshaw Sewer Revenue Bonds, Series 1993 A and Series 1993 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 Ordinance of the Issuer enacted by the Council of the Issuer February 23, 1993, and a Supplemental Resolution adopted March 29, 1993 (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 or 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 or 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 and the issuance of the Bonds have been obtained and remain in full force and effect, and 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, and the Issuer has met all conditions prescribed in the Loan Agreement entered into between the Issuer and the Authority.

There are no outstanding bonds or obligations of the Issuer, which are secured by revenues or assets of the System.

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

Charter of the Town of Bradshaw.

Certified Copies of Oaths of Office of Councilmembers.

Ordinance Creating Sanitary Board.

Petition of Sanitary Board.

Bond and Notes Ordinance.

Supplemental Resolution.

Rate Ordinance.

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Hearing.

Affidavit of Publication of Rate Ordinance and Notice of Public Hearing.

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

Minutes on Enactment of Rate Ordinance.

Loan Agreement.

EPA Grant Agreement, with Part B Amendment.

Evidence of SCBG Grant.

Evidence of Grant from West Virginia Development Office.

Public Service Commission Final Order entered January 29, 1993.

6. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper name of the Issuer is "Town of Bradshaw." The Issuer is a municipal corporation in McDowell 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 Council, consisting of 5 councilmembers, who, together with the Mayor, are all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>		<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
William B. Laxton	- Mayor	July 1, 1991	June 30, 1993
Sylvia J. Puckett	- Councilmember	July 1, 1991	June 30, 1993
Ballard S. Chafin	- Councilmember	July 1, 1991	June 30, 1993
John C. Muncy	- Councilmember	July 1, 1991	June 30, 1993
R. Hassel Rowe	- Councilmember	July 1, 1991	June 30, 1993
Ronald L. Daughtery	- Councilmember	April 30, 1992	June 30, 1993

The duly appointed, qualified and acting Recorder of the Issuer is Susie Shelton.

The names of the duly elected or appointed, as applicable, qualified and acting members of the Sanitary Board of the Issuer are as follows:

William B. Laxton	-	Chairman
Alfonso Carolla	-	Member
John Caffrey, P.E.	-	Member

The duly appointed and acting counsel to the Issuer is William S. Winfrey, II, Princeton, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Workers' 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 grant from the United States Environmental Protection Agency in the amount of \$1,991,190, the grant from the Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) in the amount of \$750,000 and the grant from the West Virginia Development Office in the amount of \$80,000 are committed and in full force and effect. The Issuer has also committed \$11,575 of its business and occupation tax revenues to the Project.

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; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

12. RATES: The Council of the Issuer has duly enacted a rate ordinance on October 13, 1992, effective upon completion of the Project, setting rates and charges for the services of the System. The time for appeal of such rate ordinance has expired and there has been no appeal thereof.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, all dated March 31, 1993, by his manual signature, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon each of said Bonds and to be attested by her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. BOND PROCEEDS: On the date hereof the Issuer received from the Authority the agreed purchase price of the Series 1993 A Bonds and the Series 1993 B Bonds, being \$254,000 (100% of par value), there being no interest accrued thereon.

15. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond and Notes Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks within a period of 14 consecutive days, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in a newspaper of general circulation in the County of McDowell and the Town of Bradshaw, there being no newspaper published in the Town of Bradshaw, together with a notice to all persons concerned, stating that the Bond and Notes Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond and Notes Ordinance, stating that any person interested may appear before the council at the public hearing held at a public meeting of council on the 23rd day of February, 1993, at 7:00 p.m., in the Council Chambers of the Town Hall of the Town of Bradshaw and present protests, and stating that a certified copy of the Bond and Notes Ordinance was on file with the Governing Body at the office of the Recorder of the Issuer for review by interested persons during the office hours of the Governing Body. At such hearing all objections and suggestions were heard by the Governing Body and the Bond and Notes Ordinance became finally adopted, enacted and effective as of the date of such public hearing and remains in full force and effect.

16. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received a Final Order of the Public Service Commission of West Virginia entered January 29, 1993 (Case No. 92-0668-S-CN), granting to the Issuer a Certificate of Convenience and Necessity with respect to the Project. The time for appeal of such order of the Public Service Commission of West Virginia has expired prior to the date hereof without any appeal.

17. 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 necessary 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 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 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 shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

18. 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.

19. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G and will cause such executed Form 8038-G to be filed in a timely manner with the Internal Revenue Service Center, Philadelphia, Pennsylvania.

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

21. CONFLICT OF INTEREST: No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Local Act and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph 21, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

WITNESS our signatures and the official seal of the TOWN OF
BRADSHAW on this 31st day of March, 1993.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

William B Lantor

Mayor

Juan Shelton

Recorder

Will Smith

Counsel to Issuer

03/25/93
BRADJ.S2
09966/90001

2

TOWN OF BRADSHAW

Sewer Revenue Bonds,
Series 1993 A

CERTIFICATE AS TO ARBITRAGE

I, WILLIAM B. LAXTON, Mayor of the TOWN OF BRADSHAW, in McDowell County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$245,806 aggregate principal amount of Sewer Revenue Bonds, Series 1993 A, of the Issuer, dated March 31, 1993 (the "Series 1993 A Bonds" or "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 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 that may not certify its bonds or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on March 31, 1993, 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 Bond and Notes Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted to not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or

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

6. The Series 1993 A Bonds and the \$8,194 aggregate principal amount of Series 1993 B Bonds (the "Series 1993 B Bonds or Supplemental Bonds"), which Series 1993 B Bonds bear no interest, were sold on March 31, 1993, to the West Virginia Water Development Authority (the "Authority") for an aggregate purchase price of \$254,000 (100% of par). No accrued interest has been or will be paid on any of the Bonds. The Series 1993 B Bonds are junior and subordinate to the Series 1993 A Bonds. The Series 1993 A Bonds and the Series 1993 B Bonds are collectively herein referred to as the "Bonds."

7. The Series 1993 A 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 new public sewerage facilities of the Issuer (the "Project"); (ii) paying the interest on the Series 1993 A Bonds during the acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; (iii) funding a reserve account for the Series 1993 A Bonds; and (iv) paying costs of issuance thereof. The Series 1993 B 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; (ii) funding a reserve account for the Series 1993 B Bonds; and (iii) paying costs of issuance of the Series 1993 B Bonds.

8. The Issuer will, on the date hereof or immediately hereafter, 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 commence immediately and will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest and any proceeds deposited in the respective Reserve Accounts for the Bonds, 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 February, 1994. Acquisition and construction of the Project is expected to be completed by February, 1994.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$3,086,765. Sources and uses of funds for the Project are as follows:

Sources

Gross proceeds of Series 1993 A Bonds	\$ 245,806
Gross proceeds of Series 1993 B Bonds	8,194
EPA Grant	1,991,190
Small Cities Block Grant	750,000
West Virginia Development Office Grant	80,000
Issuer's Funds (B & O Tax Revenues)	<u>11,575</u>
Total Sources	<u>\$3,086,765</u>

Uses

Acquisition and Construction of Project	\$3,027,658
Capitalized Interest in the Series 1993 A Bonds	30,450
Funded Reserve for Series 1993 A Bonds	20,147
Funded Reserve for Series 1993 B Bonds	210
Costs of Issuance	<u>8,300</u>
Total Uses	<u>\$3,086,765</u>

The amount of Project costs not expected to be reimbursed or paid from grants, the designated Issuer's funds and Series 1993 B Bond proceeds is estimated to be at least equal to the gross proceeds of the Series 1993 A Bonds. Except for the proceeds of the Series 1993 A Bonds and the Series 1993 B Bonds, the designated Issuer's funds and the grants, 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 Bond and Notes Ordinance pursuant to which the Bonds are issued, the following special funds or accounts have been created or continued:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Bond Construction Trust Fund;
- (4) Series 1993 A Bonds Sinking Fund, and within the Series 1993 A Bonds Sinking Fund, the Series 1993 A Bonds Reserve Account; and
- (5) Series 1993 B Bonds Sinking Fund, and within the Series 1993 B Bonds Sinking Fund, the Series 1993 B Bonds Reserve Account.

11. Pursuant to Article VI of the Bond and Notes Ordinance pursuant to which the Bonds are issued, the proceeds of the Series 1993 A Bonds (and the Series 1993 B Bonds) will be deposited as follows:

(1) Series 1993 A Bond proceeds in the amount of \$30,450 will be deposited in the Series 1993 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 1993 A Bonds during acquisition and construction of the Project and for a period not to exceed 6 months after completion thereof.

(2) Series 1993 A Bond proceeds in the amount of \$20,147 and Series 1993 B Bond proceeds in the amount of \$210 will be deposited in the Series 1993 A Bonds Reserve Account and the Series 1993 B Bonds Reserve Account, respectively.

(3) The balance of the proceeds of the Series 1993 A Bonds and the Series 1993 B Bonds will be deposited in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project, including, without limitation, 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, except as otherwise set forth herein. All of such moneys are necessary for such purpose.

None of the proceeds of the Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Moneys held in the Series 1993 A Bonds Sinking Fund and the Series 1993 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 1993 A Bonds and the Series 1993 B Bonds, respectively, and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 1993 A Bonds Sinking Fund and Series 1993 A Bonds Reserve Account and the Series 1993 B Bonds Sinking Fund and Series 1993 B Bonds Reserve Account will be returned, not less than once each year, to the Issuer, and such amounts shall, during construction of the Project, be deposited into 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.

13. Except for the Series 1993 A Bonds Sinking Fund and the Series 1993 A Bonds Reserve Account and the Series 1993 B Bonds Sinking Fund and Series 1993 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 Series 1993 A Bonds or the Series 1993 B Bonds, respectively, or which are pledged as collateral for the Series 1993 A Bonds or the Series 1993 B Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 1993 A Bonds or the Series 1993 B Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Renewal and Replacement Fund will be used or needed for payments upon the Series 1993 A Bonds or the Series 1993 B Bonds. 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 designation plan producing a yield in excess of the yield on the respective Bonds have been or will be pledged to payment of the Bonds. Less than 10% of the moneys received from the sale of the Series 1993 A Bonds will be deposited in the Series 1993 A Bonds Reserve Account or any other reserve or replacement fund, and less than 10% of the moneys received from the sale of the Series 1993 B Bonds will be deposited in the Series 1993 B Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 1993 A Bonds Reserve Account and Series 1993 B Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Series 1993 A Bonds and the Series 1993 B Bonds, respectively, and will not exceed 125% of average annual principal of and interest on the Series 1993 A Bonds and the Series 1993 B Bonds, respectively. Amounts in the Series 1993 A Bonds

Reserve Account and the Series 1993 B Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 1993 A Bonds and the Series 1993 B Bonds, respectively, if invested, will be invested without yield limitation. The establishment of the Series 1993 A Bonds Reserve Account and the Series 1993 B Bonds Reserve Account are required by the Authority, are vital to its purchase of the Series 1993 A Bonds and the Series 1993 B Bonds, respectively, and are reasonably required to assure payments of debt service on the Series 1993 A Bonds and the Series 1993 B Bonds, respectively.

Because amounts in the Renewal and Replacement Fund may be expended for other purposes, there is no reasonable assurance that any such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation.

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 11 months.

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

17. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Series 1993 A Bonds and Series 1993 B Bonds to the Authority.

18. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

19. With the exception of the amount deposited in the Series 1993 A Bonds Sinking Fund for payment of interest on the Series 1993 A Bonds and amounts deposited in the Series 1993 A Bonds Reserve Account and the Series 1993 B Bonds Reserve Account, if any,

all of the proceeds of the Series 1993 A Bonds and the Series 1993 B Bonds will be expended on the Project within 11 months from the date of issuance thereof.

20. The Series 1993 A Bonds Sinking Fund and the Series 1993 B Bonds Sinking Fund (other than the Series 1993 A Bonds Reserve Account and the Series 1993 B Bonds Reserve Account therein) are intended primarily to achieve a proper matching of payments of debt service on the Series 1993 A Bonds and the Series 1993 B Bonds, respectively, each year. The Series 1993 A Bonds Sinking Fund and the Series 1993 B Bonds Sinking Fund (other than the Series 1993 A Bonds Reserve Account and the Series 1993 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 Series 1993 A Bonds and the Series 1993 B Bonds, respectively, or 1 year's interest earnings on the Series 1993 A Bonds Sinking Fund and the Series 1993 B Bonds Sinking Fund (other than the Series 1993 A Bonds Reserve Account and the Series 1993 B Bonds Reserve Account therein), respectively. Except as otherwise allowed, any money deposited in the Series 1993 A Bonds Sinking Fund and in the Series 1993 B Bonds Sinking Fund for payment of the principal of or interest on the Series 1993 A Bonds and the Series 1993 B Bonds, respectively (other than the Series 1993 A Bonds Reserve Account and the Series 1993 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, and any moneys received from the investment of amounts held in the Series 1993 A Bonds Sinking Fund and the Series 1993 B Bonds Sinking Fund (other than in the Series 1993 A Reserve Account and the Series 1993 B Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

21. All the proceeds of the Series 1993 A Bonds which were used for the payment of costs of the Project will be expended for such purposes within three years of August 27, 1991.

22. 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.

23. 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.

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

25. 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.

26. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issues.

27. 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.

28. 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 any of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of any 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.

29. 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.

30. The Issuer is a governmental unit and has general taxing powers; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year 1991, the calendar year in which the Bonds are issued, is not reasonably expected to exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For purposes of this paragraph and for purposes of applying such Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes

of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer. No portion of the Bonds is issued to refund other obligations.

The Issuer believes that the Authority exclusively lends bond proceeds in a manner that does not result in its bonds being private activity bonds, as defined in the Code, and the Issuer believes that the use of the proceeds by each borrower from the Authority would not result in those proceeds being private activity bonds (if viewed as a separate issue).

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

32. The Issuer has either (a) funded the Series 1993 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 1993 A Bonds in the then current or any succeeding year with the proceeds of the Series 1993 A Bonds, or (b) created the Series 1993 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 1993 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 1993 A Bonds in the then current or any succeeding year. Moneys in the Series 1993 A Bonds Reserve Account and the local sinking fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Series 1993 A Bonds and will not be available to meet the cost of the Project.

33. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issuer exception to rebate, the Issuer shall submit 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. 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.

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

35. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds,

(b) are to be sold pursuant to a common plan of financing together with any of the Bonds and (c) will be paid out of substantially the same source of funds or will have substantially the same claim to be paid out of substantially the same source of funds as any of the Bonds.

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

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

38. 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.

39. 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 Series 1993 A Bonds.

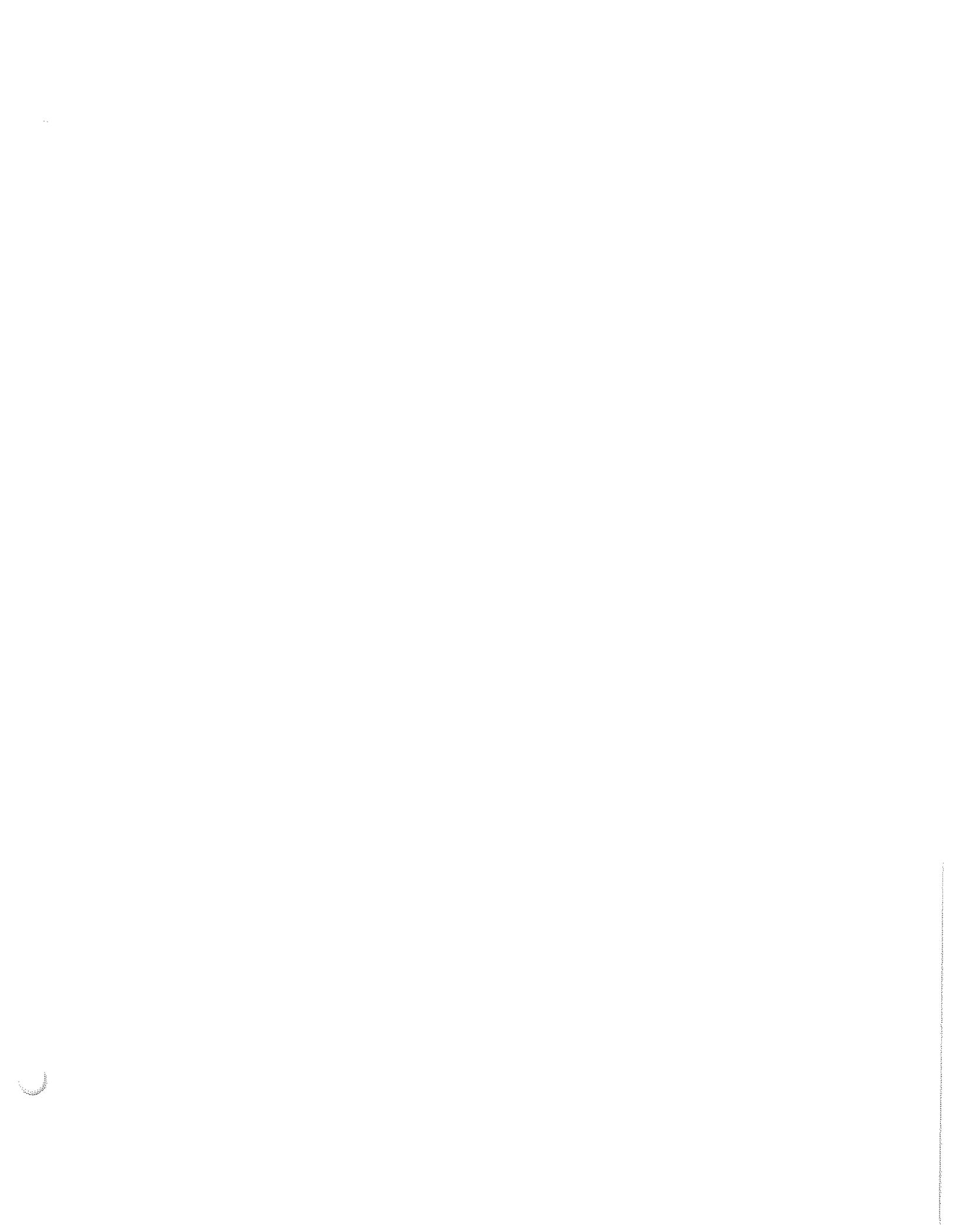
40. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

IN WITNESS WHEREOF, I have set my hand this 31st day of March, 1993.

TOWN OF BRADSHAW

By William B. Lipton
Its Mayor

03/24/93
BRADJ.T2
09966/90001



TOWN OF BRADSHAW

Sewer Revenue Bonds
Series 1993 A and Series 1993 B

ENGINEER'S CERTIFICATE

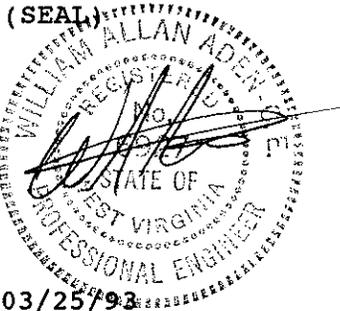
I, WILLIAM A. ADEN, Registered Professional Engineer, West Virginia License No. 6927, of Draper Aden Associates, Inc., Consulting Engineers, of Blacksburg, Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain new public sewerage facilities (the "Project") of the Town of Bradshaw in McDowell County, West Virginia (the "Issuer"). Certain costs of such acquisition and construction are being financed by proceeds of the above-captioned bonds (the "Bonds"), certain funds of the Issuer, and certain grant proceeds from the Environmental Protection Agency, the Department of Housing and Urban Development through the State of West Virginia, and the West Virginia Development Office.

2. I hereby certify, to the best of my knowledge, that (i) the Project will be acquired and constructed in accordance with the approved plans, specifications and designs prepared by my firm, or amendments thereto, and as described in the Application submitted to the West Virginia Water Development Authority (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 and, to the extent presently obtainable, the operation of the System; (v) the acquisition and construction of and funding for the Project should proceed to a successful conclusion within the time schedules proposed; (vi) with proper upkeep, maintenance and replacement, 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 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 31st day of March, 1993.



DRAPER ADEN ASSOCIATES, INC.

By 
Its Secretary-Treasurer
West Virginia License No. 6927

03/25/93
BRADC.U2
09966/90001

DATE: 3/31/93AMENDED SCHEDULE ANAME OF GOVERNMENTAL AGENCY: Town of Bradshaw, West Virginia
TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCINGA. Cost of Project

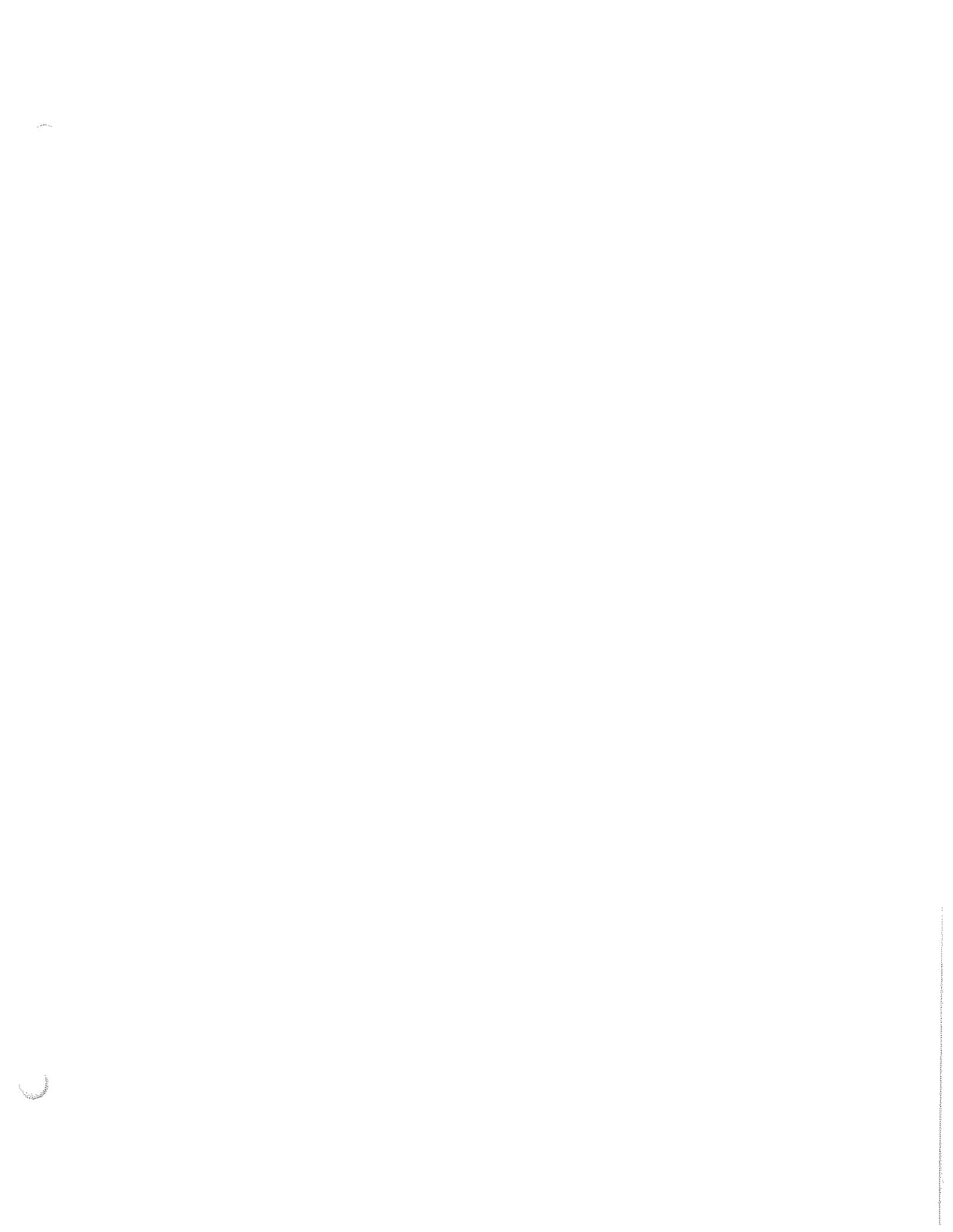
1. Construction		\$2,241,985	
2. Technical Services		\$ 478,395	
3. Legal and Fiscal		\$ 19,193	
4. Administrative		\$ 63,160	
5. Site and Other Lands		\$ 113,000	
6. Step I and/or Step II (Design) or Other Loan Repayment (Specify Type: _____)		\$ _____	
7. Interim Financing Costs		\$ _____	
8. Contingency		\$ 111,925	
9. Total of Lines 1 through 8			\$ 3,027,658

B. Sources of Funds

10. Federal Grants: ¹ (Specify Source)	EPA	\$1,991,190	
11. State Grants: ¹ (Specify Source)	SCBG	\$ 750,000	
	Wastewater Treatment Facilities Program	\$ 80,000	
12. Other Grants: ¹ (Specify Source)		\$ _____	
13. Any Other Source ² (Specify)	Local Funds (B&O tax revenue)	\$ 11,575	
14. Total of Lines 10 through 13			\$ 2,832,765
15. Net Proceeds Required from Bond Issue (Line 9 less Line 14)			\$ 194,893

C. Cost of Financing

16. Capitalized Interest (Construction period plus six months)	\$ 30,450	
17. Funded Reserve Account ³	\$ 20,357	
18. Other Costs ⁴ (Bond Counsel)	\$ 8,300	
19. Total Cost of Financing (Lines 16 through 18)		\$ 59,107
20. Size of Bond Issue (Line 15 plus Line 19)		\$ 254,000



Jeffrey S. Feamster

Certified Public Accountant

P.O. Box 121

Lewisburg, West Virginia 24901

304-647-5980

March 31, 1993

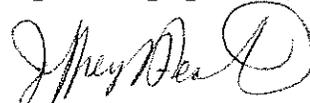
Town of Bradshaw
Sewer Revenue Bonds
Series 1993 A and Series 1993 B

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

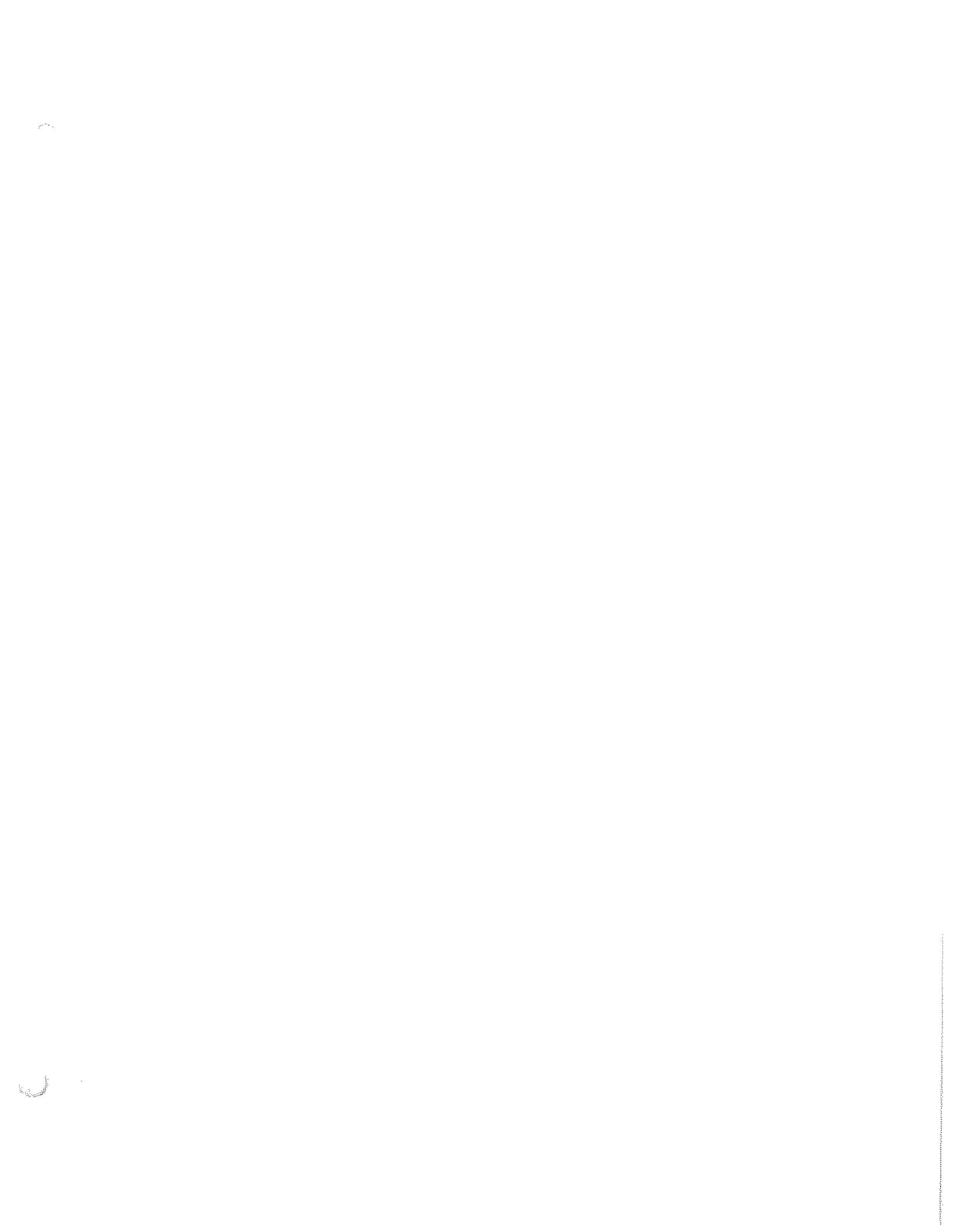
Ladies and Gentlemen:

Based upon the rates and charges as set forth in the ordinance of the Town of Bradshaw finally enacted October 13, 1992, and effective upon completion of the sewer project, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by Draper Aden Associates, Inc., Consulting Engineers, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the Town of Bradshaw, will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 1993 A and Series 1993 B, to be issued to West Virginia Water Development Authority, and all other obligations secured by or payable from the revenues of the System prior to or in parity with such bonds, if any.

Very truly yours,



Jeffrey S. Feamster



COURT ORDER

It appearing to the Commission that under the provisions of article two [§8-2-1 et seq.], chapter eight of the Code of West Virginia, as amended, at an election duly held on the 20th day of December, 1979, a majority of the legal votes cast on the question of incorporation by the qualified voters of the community of Bradshaw, McDowell County, West Virginia, were cast in favor of the incorporation of the said community of Bradshaw, McDowell County, West Virginia; and it appearing to the satisfaction of the Commission that all of the provisions of article two, chapter eight of the Code of West Virginia, as amended, have been complied with by the petitioners for said incorporation, said town or village is hereby declared to be a body corporate, duly authorized to exercise all the corporate powers conferred upon towns or villages by chapter eight [§ 8-1-1 et seq.] of the Code of West Virginia, as amended; and the Clerk of the County Commission of McDowell County, West Virginia, is hereby DIRECTED to issue a certificate of Incorporation as prescribed by chapter eight, article two, section seven, of the Code of West Virginia, as amended, to the Town or Village Bradshaw.

The Commission further appoints Shelia Mumcy, Gladys Woods, and Celia Edward to act as Commissioners of the election of the first officers to be held in the aforesaid town or village.

Enter this 11th day of February, 1980

Jennings B. Boyd

 Jennings B. Boyd
 President

ADMITTED TO RECORD
 FEB 15 1980
 11 41 AM
 REC'D IN THE COUNTY COMMISSIONERS OFFICE
 SUB. BY [unclear]
 FILED IN [unclear]

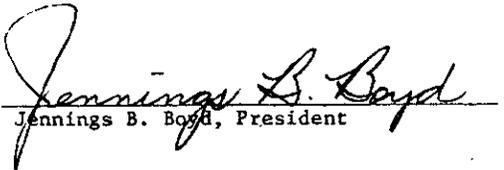
COURT ORDER

IN RE: AUTHORIZING THE CLERK OF THE COUNTY COMMISSION TO ISSUE A CERTIFICATION OF INCORPORATION FOR THE TOWN OF BRADSHAW

It appearing to the Commission that the Commission is desirous of authorizing the Clerk of the County Court to issue a Certification of Incorporation for the Town of Bradshaw, PURSUANT to the election that was held on December 20, 1979 wherein a majority of the legal voters cast on the question of incorporation was in favor of it, in that a Certification of Incorporation be issued by the Clerk and further that the Commission appoints Sheila Muncy, Gladys Woods, and Celia Edwards as Commissioners for the first election to be held within 60 days, it is upon motion of Commissioner Robert E. Blair, seconded by President Jennings B. Boyd, voted on and carried unanimously, hereby ORDERED that this certification of incorporation be issued by the Clerk of the County Commission.

ORDER:

ENTER:


Jennings B. Boyd, President

2-11-80

kek

CERTIFICATE OF INCORPORATION OF THE TOWN OF BRADSHAW

It appearing to the Commission that under the provisions of article two [§ 8-2-1 et seq.], chapter eight of the Code of West Virginia, as amended, at an election duly held on the 20th day of December, 1979, a majority of the legal votes cast on the question of incorporation by the qualified voters of the following territory, to-wit:

~~BOOK~~ 352 PAGE 247

BEGINNING at a point known as Cor. 1-B on a map showing corporate limits of proposed City of Bradshaw; thence S 48° 05' W 2,375.29 feet to Cor. 2-B; thence S 8° 29' E 4,653.71 feet to Cor. 3-B; thence S 73° 46' E 930.17 feet to Cor. 4-B; thence N 87° 02' E 3,529.81 feet to Cor. 5-B; thence N 2° 04' E 983.12 feet to Cor. 6-B; thence N 28° 46' W 5,133.83 feet to Cor. 7-B; thence N 39° 05' W 1,243.47 feet to Cor. 1-B, the point of BEGINNING, containing 500.86 acres, more or less. A copy of the aforesaid map entitled "Map Showing Corporate Limits Of Proposed City of Bradshaw, situated in McDowell County, W. Va." by Gid W. Maynard, Registered Professional Engineer, Gary, West Virginia, to be recorded in the office of the Clerk of the County Commission of McDowell County, West Virginia, forthwith.

were cast in favor of the incorporation of the town or village of Bradshaw, in the County of McDowell, bounded as herein set forth; and it appearing to the satisfaction of the Commission that all of the provisions of article two, chapter eight of the Code of West Virginia, as amended, have been complied with by the petitioners for said incorporation, said town or village is hereby declared to be a body corporate, duly authorized to exercise all of the corporate powers conferred upon towns or villages by chapter eight [§ 8-1-1 et seq.] of the Code of West Virginia, as amended, from and after the date of this certificate.

WITNESSETH this the 11th day of February, 1980.

Hilda J. Taylor
Clerk County Commission

WEST VIRGINIA: 15th Day of February 1980
McDOWELL COUNTY COMMISSION:
COUNTY CLERK'S OFFICE: TESTE: HILDA J. TAYLOR
BY:
The foregoing writing with certificate thereto, was this day presented in said office and duly admitted to record, and the map attached thereto, is recorded in Map Book No. 34, Page 9
C & H 72156-G

Hilda J. Taylor
CLERK.

RECORDED
1980 FEB 12 PM 4:00



Town of Bradshaw
P.O. Box 450
Bradshaw, West Virginia 24817

OATH OF OFFICE

State of West Virginia, County of McDowell, to-wit

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Mayor, for the Town of Bradshaw McDowell County, West Virginia, to the best of my skill and judgment; so help me God:

William B Lupton

Mayor - Town of Bradshaw

Subscribed and sworn before me, the undersigned authority, this Fifth day of

July, 1991

Jerry K. Harne

Commission expires 2-17-93

TOWN OF BRADSHAW
BOX 450
BRADSHAW, WV 24817

OATH OF OFFICE

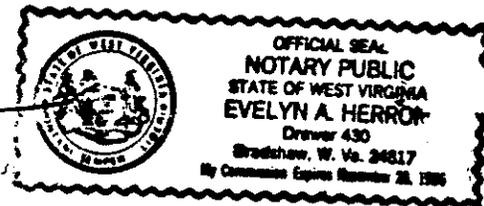
STATE OF WEST VIRGINIA, COUNTY OF MCDOWELL, TO-WIT:

I DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE OFFICE OF Town Recorder FOR THE TOWN OF BRADSHAW, MCDOWELL COUNTY, WEST VIRGINIA, TO THE BEST OF MY SKILL AND JUDGEMENT: SO HELP ME GOD:

Jessie Shelton

SUBSCRIBED AND SWORN BEFORE ME, THE UNDERSIGNED AUTHORITY,
THIS 22nd DAY OF March, 1993

Evelyn A. Herron



TOWN OF BRADSHAW
BOX 450
BRADSHAW, WV 24817

OATH OF OFFICE

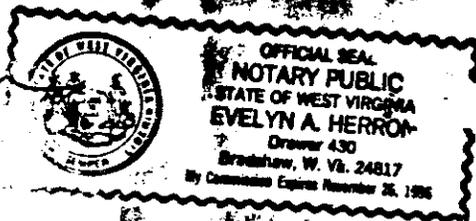
STATE OF WEST VIRGINIA, COUNTY OF MCDOWELL, TO-WIT:

I DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE OFFICE OF City Council FOR THE TOWN OF BRADSHAW, MCDOWELL COUNTY, WEST VIRGINIA, TO THE BEST OF MY SKILL AND JUDGMENT. SO HELP ME GOD:

Sylvia J. Puckett

WITNESSED AND SUBSCRIBED TO BY ME, THE UNDERSIGNED AUTHORITY,
this 22nd day of March, 1993.

Evelyn A. Herron



TOWN OF BRADSHAW
BOX 450
BRADSHAW, WV 24817

OATH OF OFFICE

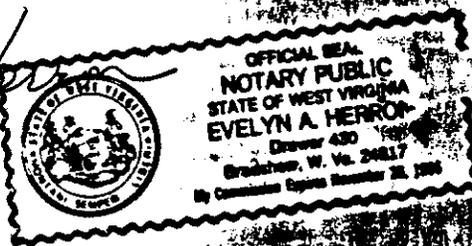
STATE OF WEST VIRGINIA, COUNTY OF MCDOWELL, TO-WIT:

I DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE OFFICE OF Town Councilperson FOR THE TOWN OF BRADSHAW, MCDOWELL COUNTY, WEST VIRGINIA, TO THE BEST OF MY SKILL AND JUDGEMENT; SO HELP ME GOD:

Ronald L Daugherty

SUBSCRIBED AND SWORN BEFORE ME, THE UNDERSIGNED AUTHORITY, THIS 22nd DAY OF March, 1993.

Evelyn A Herron



Town of Bradshaw
P.O. Box 450
Bradshaw, West Virginia 24817

OATH OF OFFICE

State of West Virginia, County of McDowell, to-wit

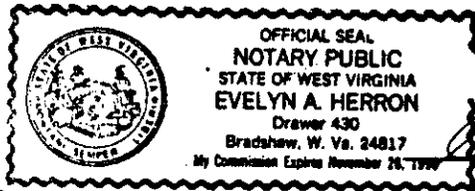
I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of City Council for the Town of Bradshaw, McDowell County, West Virginia, to the best of my skill and judgment: so help me God:

Robert S. Clifton

City Council - Town of Bradshaw

Subscribed and sworn before me, the undersigned authority, this 26th day of

June, 1991



Evelyn A. Herron

Town of Bradshaw
P.O. Box 450
Bradshaw, West Virginia 24817

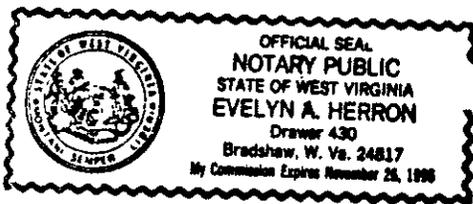
OATH OF OFFICE

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

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of City Council for the Town of Bradshaw, McDowell County, West Virginia, to the best of my skill and judgment; so help me God:

John C. Muncy
City Council - Town of Bradshaw

Subscribed and sworn before me, the undersigned authority, this 25th day of June, 1991



Evelyn A. Herron

Town of Bradshaw
P.O. Box 450
Bradshaw, West Virginia 24817

OATH OF OFFICE

State of West Virginia, County of McDowell, to-wit

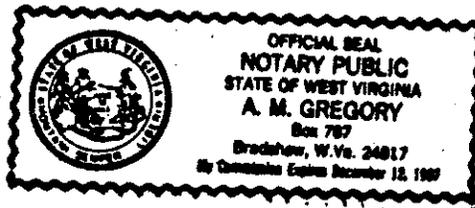
I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of City Council for the Town of Bradshaw, McDowell County, West Virginia, to the best of my skill and judgment: so help me God:

Hassel Rouse

City Council - Town of Bradshaw

Subscribed and sworn before me, the undersigned authority, this 24 th day of
JUNE, 1991.

A. M. Gregory





TOWN OF BRADSHAW

ORDINANCE CREATING A SANITARY BOARD
OF THE TOWN OF BRADSHAW

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

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

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE TOWN COUNCIL OF THE TOWN OF BRADSHAW AS FOLLOWS:

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

Section 2. Composition; Chairman; Appointment of Members. The Sanitary Board shall be composed of the Mayor of the Town of Bradshaw, and two persons appointed by the Council, one of whom, during the period of construction of the System or any additions thereto must be a registered professional engineer. The engineer member of the Board need not be a resident of said municipality. After the construction of the System has been completed, the engineer may be succeeded by a person not an engineer. Said appointees shall originally be appointed for terms of 2 and 3 years respectively, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of 3 years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. No officer or employee of the Town, whether holding a paid or unpaid office, shall be eligible to appointment on said Sanitary Board until at least 1 year after the expiration of the term of his public office.

Section 3. Organizational Meetings; Vice Chairman, Secretary, Treasurer; Official Bonds. As soon as may be practicable following the appointment of a new member of the Sanitary Board, the Board shall hold an organizational meeting and choose a vice chairman from among its members, and a secretary and treasurer, who may be one

person and need not be a Board member, and such officers shall hold office at the will of the Board. No bond shall be required of the Board members as such, but the treasurer, whether a member of the Board or not, shall give bond in the penalty of \$2,000 for the proper application of all money received by him as treasurer of the Board, and otherwise conditioned according to law.

Section 4. Compensation and Expenses of Board Members.
The members of the Sanitary Board as such shall be paid no compensation. All members of the Board shall be reimbursed from sewage works funds for all necessary expenses incurred in the discharge of their duties, but there shall be no liability upon the town for any salary or expenses so incurred.

Section 5. Powers, Duties and Limitations. A. The Sanitary Board shall have the supervision and control of the custody, administration, operation and maintenance of any and all works for the collection, treatment and disposal of sewage, which are now owned or may hereafter be acquired by the Town.

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

C. The Sanitary Board may employ engineers, architects, inspectors, superintendents, a manager, collectors, attorneys and such other personnel as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the Board shall direct. All such compensation and all expenses incurred in carrying out the provisions of said Article 13 shall be paid solely and only from funds provided under the authority or power given it so as to bind the Board or the town beyond the extent to which money shall have been or may be provided under the authority of said Article 13. No contract or agreement with any contractor or contractors for labor or material exceeding in amount the sum of \$1,000 shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the Board to reject any and all bids.

D. The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of

revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board.

E. After the construction, installation and completion of such works the Sanitary Board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the Board may deem expedient if funds therefor be available or made available as provided by law, and shall establish rules and regulations for the use and operation of the works and of other sewers and drains connected therewith so far as they may affect the operation of such works, and to do all things necessary or expedient for the successful operation thereof, and the Board shall have in addition hereto any and all powers granted to it by said Article 13, or which may be granted to it by amendments to said Article 13, hereafter made, subject to any and all restrictions and limitations therein contained.

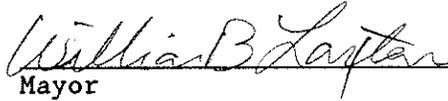
Section 6. Duty of Board to Restore Property Damaged by its Activities. All public ways or public works damaged or destroyed by the Sanitary Board in carrying out its authority under this chapter shall be restored or repaired by the Board and placed in their original condition, as nearly as practicable,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

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

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

officer or agent of the Board. All such disbursements shall be approved by the Board.

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



Mayor

ATTEST:



Recorder

First Reading: January 26, 1993

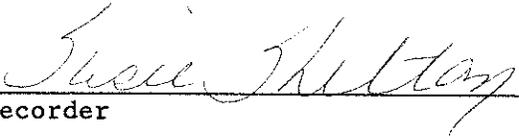
Enacted on Second Reading: February 2, 1993

CERTIFICATION

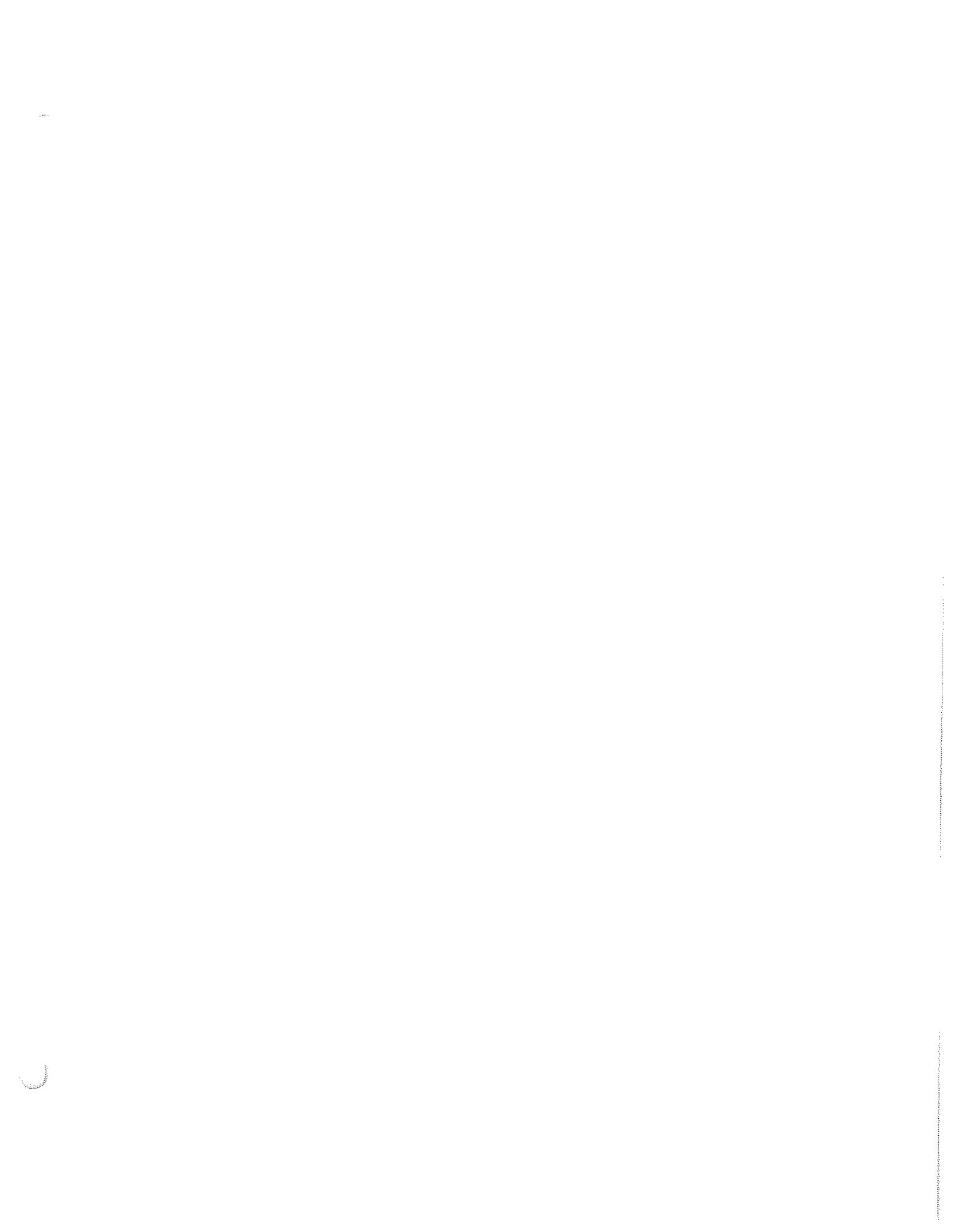
Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF BRADSHAW on the 2nd day of February, 1993.

Dated: March 31, 1993.

[SEAL]


Recorder

03/24/93
BRADC.E2
00996/90001



PETITION

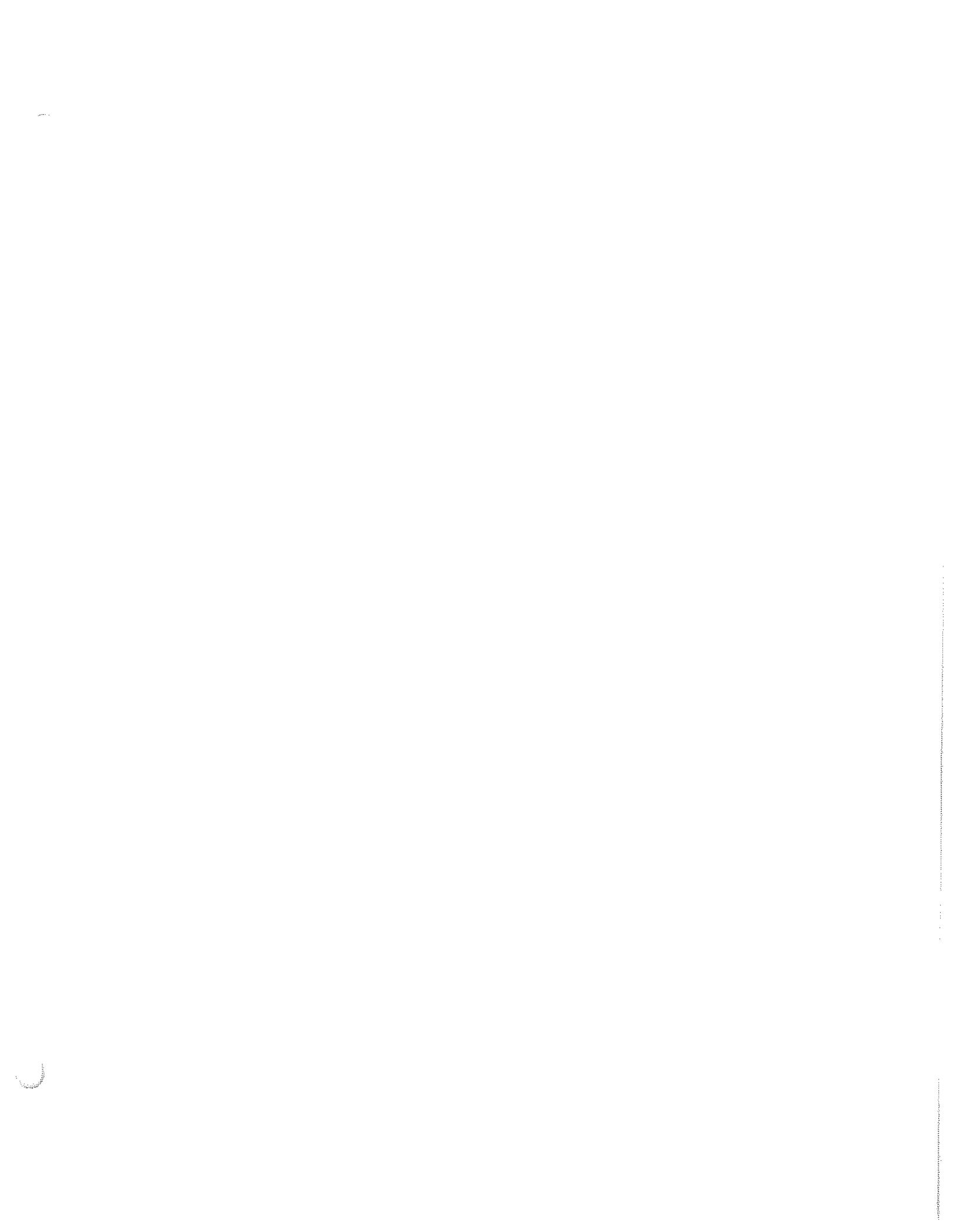
The Sanitary Board of the Town of Bradshaw hereby petitions the Town Council of the Town of Bradshaw to enact an ordinance directing that revenue bonds and interim construction notes of the municipality be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code, such bonds to be in an amount not to exceed \$400,000 and such notes to be in an amount not to exceed \$400,000 for the purpose of acquisition and construction of a public sewerage system for the Town of Bradshaw.

Directed this 2nd day of February, 1993.

SANITARY BOARD OF THE TOWN OF
BRADSHAW

By William B. Lister
Chairman - Bradshaw Sanitary Board

01/27/93
BRADJ.12
09966/90001



AFFIDAVIT OF PUBLICATION:

State of West Virginia
County of McDowell, to wit:

I, Irene Wooten, being first duly sworn upon my oath, do depose and say that I am the Legal Editor of the Welch Daily News, Inc., a corporation, publisher of the newspaper entitled **The Welch Daily News**, a Republican newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily except weekends and holidays, for at least fifty weeks during the calendar year, in the Municipality of Welch, McDowell County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and McDowell County, West Virginia; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of PUBLIC HEARING

STEPTOE & JOHNSON

P.O. BOX 2190

CLARKSBURG, WV 26302-2190

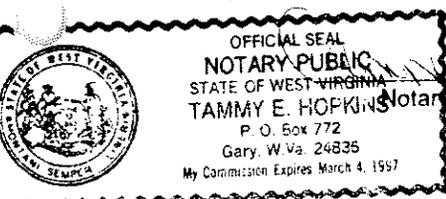
was duly published in said newspaper once a week for 2 successive weeks, (Class II), commencing with the issue of the 10 day of FEB., 1993, and ending with the issue of the 17 day of FEB., 1993 (and was posted at the (if required)

_____ on the _____ day of _____, 19____]; that said annexed notice was published on the following dates: _____ and that the cost of publishing said annexed notice as aforesaid was \$ 44.10.

Irene Wooten
Irene Wooten, Legal Editor
The Welch Daily News

Taken subscribed and sworn to before me in my said county this 17 day of FEB., 1993.

My Commission expires March 4, 1997



Tammy E. Hopkins
Notary Public, State of West Virginia

LEGAL NOTICE

**TOWN OF BRADSHAW
NOTICE OF PUBLIC HEARING ON
SEWER BOND AND NOTES ORDINANCE**

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Council of the Town of Bradshaw to be held on February 23, 1993, at 7:30 p.m. in the Council chambers at the Bradshaw Town Hall, and at such hearing any person interested may appear before the Town Council and present protests and all objections and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BRADSHAW AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1993 A, NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 B, AND NOT MORE THAN \$400,000 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 RIGHT 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 AND AUTHORIZING OR 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.

The above-entitled Ordinance was adopted by the Council of the Town of Bradshaw on February 6, 1993.

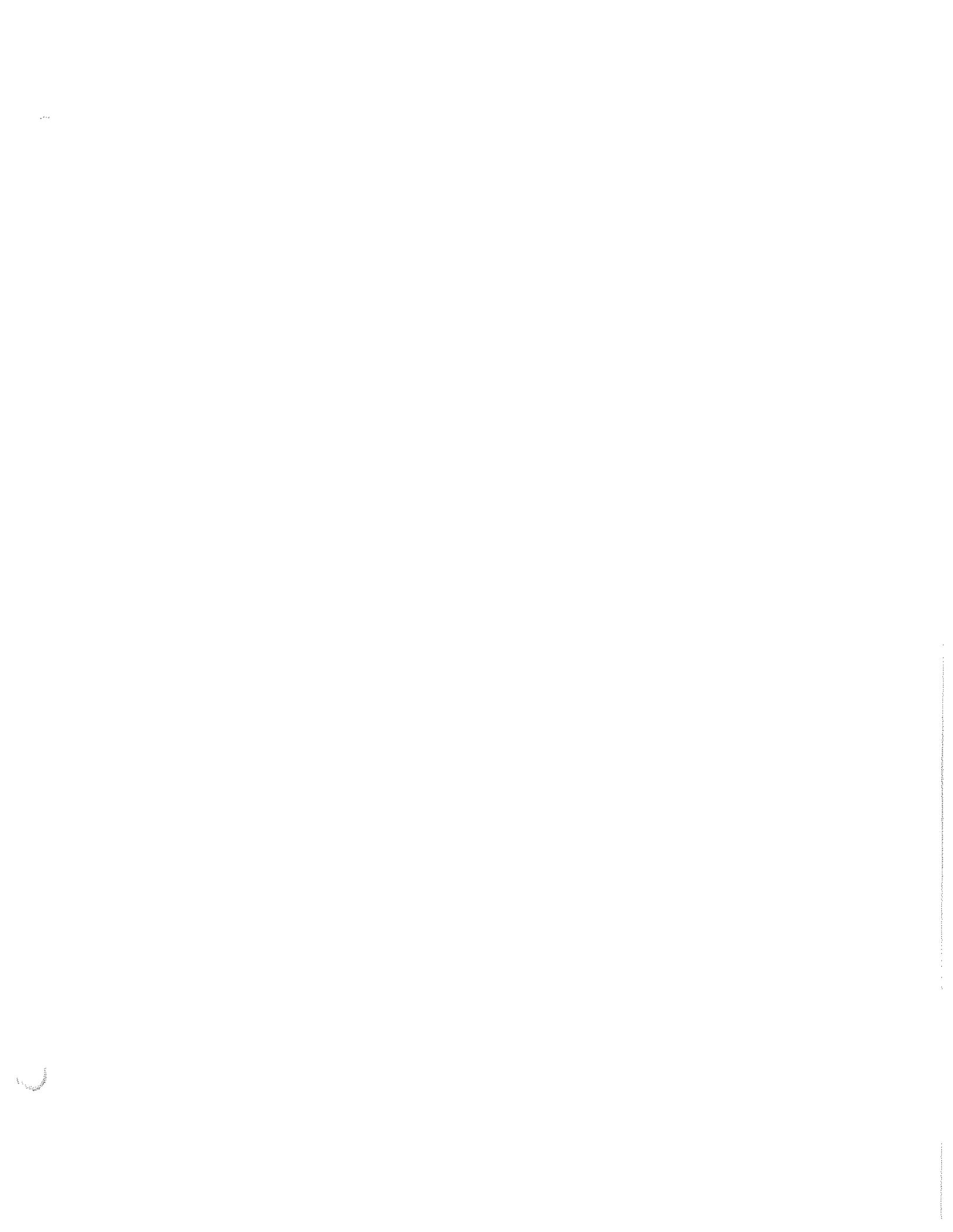
The above-quoted title of the Ordinance described generally the contents thereof and the purposes of the Bonds and Notes issues contemplated thereby. The Town of Bradshaw contemplates the issuance of the Bonds and Notes described in the Ordinance. The proceeds of the Bonds will be used to provide financing of a portion of the costs of acquisition and construction of a public sewerage system (the "Project") for the Town of Bradshaw, not otherwise provided for. The Bonds will be payable solely from net revenues to be derived from the ownership and operation of the sewerage system of the Town. The proceeds of the Notes will be used to provide temporary financing of a portion of the costs of the Project. The Notes will be payable primarily from bond payments and/or grant receipts. No taxes may at any time be levied for the payment of the Bonds or the Notes or the interest thereon.

A certified copy of the above-entitled Ordinance is on file in the office of the Recorder of the Town of Bradshaw for review by interested parties during regular office hours.

Following said public hearing, the Town Council intends to meet and Ordinance upon final hearing, Tuesday, February 23, 1993.

By William E. Loden
Mayor

2/16/1993



AN ORDINANCE ESTABLISHING AND FIXING RATES,
 FEES, CHARGES AND DELAYED PAYMENT PENALTY CHARGES
 FOR SERVICE TO CUSTOMERS OF THE SEWER FACILITIES OF
 THE TOWN OF BRADSHAW

THE TOWN COUNCIL OF THE TOWN OF BRADSHAW HEREBY ORDAINS:
 The following rates, fees, charges and delayed payment penalty
 charges are hereby fixed and determined as the rates, fees, charges
 and delayed payment penalty to be charged to customers of the
 sewer facilities of the Town of Bradshaw throughout the territory
 served.

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable to the entire area served.

AVAILABILITY OF SERVICE

Available for general domestic and commercial sanitary
 sewer service.

RATES (Based upon unmetered water supply) Per Month

\$ 32.44	General Customers
\$ 87.30	Elementary School
\$ 116.40	High School
\$ 116.40	Laundromat

DELAYED PAYMENT PENALTY

THE ABOVE TARIFF IS NET. ON ALL ACCOUNTS NOT PAID IN
 FULL WITHIN TWENTY DAYS (20) OF DATE OF BILL, TEN PERCENT (10%)
 WILL BE ADDED TO THE CURRENT NET CHARGE.

SERVICE CONNECTION FEES

Connection made by Town	\$ 200.00
Connection made during construction	\$ 100.00
Connection made after construction	\$ 250.00

SECTION 2. EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective upon completion of the sewer facilities project of the Town, expected to be on or about May 1, 1993, but in no event prior to 45 days after enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

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

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for two successive weeks within a period of fourteen days, with at least six full days between each publication in the Welch Daily News, being the only newspaper published and of general circulation in McDowell County, West Virginia, and being of general circulation in Bradshaw, West Virginia, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 13th day of October, 1992, at 7:00 PM, which date is not less than 10 days subsequent to the date of first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

The above Ordinance has been introduced at a meeting of Council held September 8, 1992.

Passed on First Reading September 8, 1992

Passed on Second Reading
Following Public Hearing October 13, 1992

Effective as of October 13, 1992

S/S Lucie Shelton
Recorder

I attest that the following is a true and exact copy of the ordinance as it was so recorded into the minutes of the Town of Bradshaw on the 13th day of October 1992. I give this unto my hand on the 2nd day of October, 1992.

S/S Lucie Shelton
RECORDER

AN ORDINANCE AMENDING AN ORDINANCE ESTABLISHING
AND FIXING RATES, FEES, CHARGES AND DELAYED
PAYMENT PENALTY CHARGES FOR SERVICE TO CUSTOMERS
OF THE SEWER FACILITIES OF THE TOWN OF BRADSHAW

WHEREAS, the Town of Bradshaw (the "Town") has heretofore enacted an ordinance on October 13, 1992, establishing and fixing rates, fees, charges and delayed payment penalty charges for service to customers of the sewer facilities of the Town; and

WHEREAS, by order of the Public Service Commission of West Virginia, dated January 29, 1993, the Town was ordered to adopt certain provisions in connection with the rates, fees and charges for service to customers of the sewer facilities of the Town;

THE TOWN COUNCIL OF THE TOWN OF BRADSHAW HEREBY ORDAINS: The following provisions are hereby added to the ordinance enacted October 13, 1992, establishing and fixing rates, fees, charges and delayed payment penalty charges for service to customers of the sewer facilities of the Town, at the end of Section 1, entitled "SCHEDULE OF RATES".

In accordance with the Legislative Rules of the Public Service Commission of West Virginia, 150 Code of State Rules § 5.4(n), the customers presently served by the Town shall not be expected to make all changes in the customers' service pipes required on account of changes of grade, relocation of mains, and other causes not related to the customers, said charges shall be accomplished by the Town at its expense.

MULTIPLE OCCUPANCY

Where more than one house, dwelling, trailer or camper is connected to the same (common) meter, the bill rendered shall not be less than the minimum charge, multiplied by the number of houses, dwellings, trailers or campers. On apartment buildings or any other multiple occupancy building containing more than one family or business unit the bill rendered shall not be less than the minimum monthly charge applicable to each unit multiplied by the number of units on the site at the time the meter is read, or the actual charge for the water used or the size of the meter installed, whichever is greater.

The Town shall have the right to require a separate meter for each family or business unit, but such requirement shall not be unreasonably required or insisted upon by the Town.

Motels and hotels shall pay according to the amount of water used or the size of meter installed, whichever is greater.

TRAILER COURTS

House trailer courts as defined by State law shall be provided with a master meter or master meters. No bill shall be rendered for less than the following:

The minimum charge applicable to each multiplied by the number of units situated on the court site at the time the meter is read or the actual charge for water used or size of the meter installed, whichever is greater. House trailers, as used hereinabove, shall include both mobile and immobile units.

House trailers, either mobile or immobile, located on sites other than a park or court, shall be billed in the same manner as any other family or business unit.

EFFECTIVE DATE

This Ordinance shall be effective upon completion of the sewer facilities project of the Town, expected to be on or about May 1, 1993, but in no event prior to 45 days after enactment hereof.

SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES, ETC.

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

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in the Welch Daily News, being the only newspaper published and of general circulation in McDowell County,

West Virginia, and being of general circulation in the Town of Bradshaw and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 9th day of March, 1993, at 7:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

The above Ordinance has been introduced at a meeting of Council held February 23, 1993.

Passed on First Reading: February 23, 1993.

Passed on Second Reading
Following Public Hearing: March 9, 1993.

William B. Lupton
Mayor

ATTEST:

Susan Skelton
Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF BRADSHAW on the 9th day of March, 1993.

Dated: March 31, 1993.

[SEAL]


Recorder

03/24/93
BRADC.BB2
09966/90001



AFFIDAVIT OF PUBLICATION:

State of West Virginia
County of McDowell, to wit:

I, Irene Wooten, being first duly sworn upon my oath, do depose and say: I am the Legal Editor of the Welch Daily News, Inc., a corporation, publisher of the newspaper entitled **The Welch Daily News**, a Republican newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily except weekends and holidays, for at least fifty weeks during the calendar year, in the Municipality of Welch, McDowell County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and McDowell County, West Virginia; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of PUBLIC HEARING

WILLIAM S. WINFREY, II
1608 MAIN STREET WEST
PRINCETON, WV 24740

was duly published in said newspaper once a week for 2 successive weeks, (Class II), commencing with the issue of the 2 day of OCT, 1992, and ending with the issue of the 9 day of OCT, 1992 [and was posted at the (if required)

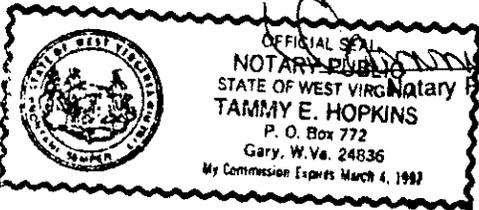
_____ on the _____ day of _____, 19____]; that said annexed notice was published on the following dates: _____

_____ and that the cost of publishing said annexed notice as aforesaid was \$ 54.60.

Irene Wooten
Irene Wooten, Legal Editor
The Welch Daily News

Taken subscribed and sworn to before me in my said county this 19 day of OCT, 1992

M, Commission expires March 4, 1997



Tammy E. Hopkins
Notary Public, State of West Virginia

LEGAL NOTICE
OF PUBLIC HEARING
AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, CHARGES AND DELAYED PAYMENT PENALTY CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWER FACILITIES OF THE TOWN OF BRADSHAW
THE TOWN COUNCIL OF THE TOWN OF BRADSHAW HEREBY ORDAINS: The following rates, fees, charges and delayed payment penalty charges are hereby fixed and determined as the rates, fees, charges and delayed payment penalty to be charged to customers of the sewer facilities of the Town of Bradshaw throughout the territory served.
SECTION 1. SCHEDULE OF RATES
APPLICABILITY
Applicable to the entire area served.
AVAILABILITY OF SERVICE
Available for general domestic and commercial sanitary sewer service.
RATES (Based upon unmetered water supply) Per Month
\$ 32.44 General Customers
\$ 87.30 Elementary Schools
\$ 118.40 High School
\$ 118.40 Laundromat
DELAYED PAYMENT PENALTY
THE ABOVE TARIFF IS NET. ON ALL ACCOUNTS NOT PAID IN FULL WITHIN TWENTY DAYS (20) OF DATE OF BILL, TEN PERCENT (10%) WILL BE ADDED TO THE CURRENT NET CHARGE.
SERVICE CONNECTION FEES
Connection made by Town \$200.00
Connection made during construction \$100.00
Connection made after construction \$250.00
SECTION 2. EFFECTIVE DATE
The rates, fees, charges and delayed payment penalty charges provided herein shall be effective upon completion of the sewer facilities project of the Town, expected to be on or about May 1, 1993, but in no event prior to 45 days after enactment hereof.
SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES
The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All ordinances, resolutions, orders or parts hereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.
SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING
Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for two successive weeks within a period of fourteen days, with at least six full days between each publication in the Welch Daily News, being the only newspaper published and of general circulation in McDowell County, West Virginia, and being of general circulation in Bradshaw, West Virginia, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 13th day of October, 1992, at 7:00 PM, which date is not less than 10 days subsequent to the date of first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.
10/29/92c

AFFIDAVIT OF PUBLICATION:

State of West Virginia
County of McDowell, to wit:

I, Irene Wooten, being first duly sworn upon my oath, do depose and say that I am the Legal Editor of the Welch Daily News, Inc., a corporation, publisher of the newspaper entitled **The Welch Daily News**, a Republican newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily except weekends and holidays, for at least fifty weeks during the calendar year, in the Municipality of Welch, McDowell County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and McDowell County, West Virginia; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of TOWN OF BRADSHAW

STEPTOE & JOHNSON

P.O. BOX 2190

CLARKSBURG, WV 26302-2190

was duly published in said newspaper once a week for 2 successive weeks, (Class II), commencing with the issue of the 24 day of FEB., 19 93, and ending with the issue of the 3 day of MARCH, 19 93 [and was posted at the (if required)

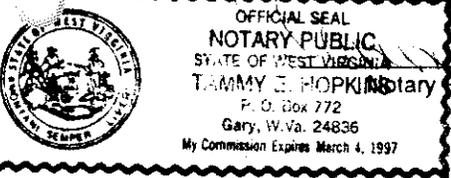
_____ on the _____ day of _____, 19 _____]; that said annexed notice was published on the following dates: _____ and that the cost of publishing said annexed notice as aforesaid was \$ 69.82.

Irene Wooten
Irene Wooten, Legal Editor
The Welch Daily News

Taken subscribed and sworn to before me in my said county this 3

day of MARCH, 19 93.

My Commission expires March 4, 1997.



Tammy E. Hopkins
Notary Public, State of West Virginia

LEGAL NOTICE

**TOWN OF BRADSHAW
NOTICE OF PUBLIC HEARING
AN ORDINANCE AMENDING AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, CHARGES AND DELAYED PAYMENT PENALTY CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWER FACILITIES OF THE TOWN OF BRADSHAW**

WHEREAS, the Town of Bradshaw (the "Town") has heretofore enacted an ordinance on October 13, 1992, establishing and fixing rates, fees, charges and delayed payment penalty charges for service to customers of the sewer facilities of the Town; and

WHEREAS, by order of the Public Service Commission of West Virginia, dated January 26, 1993, the Town was ordered to adopt certain provisions in connection with the rates, fees and charges for service to customers of the sewer facilities of the Town;

THE TOWN COUNCIL OF THE TOWN OF BRADSHAW HEREBY ORDAINS: The following provisions are hereby added to the ordinance enacted October 13, 1992, establishing and fixing rates, fees, charges and delayed payment penalty charges for service to customers of the sewer facilities of the Town, at the end of Section 1, entitled "SCHEDULE OF RATES."

MULTIPLE OCCUPANCY
Where more than one house, dwelling, trailer or camper is connected to the same (common) meter, the bill rendered shall not be less than the minimum charge, multiplied by the number of houses, dwellings, trailers or campers. On apartment buildings or any other multiple occupancy building containing more than one family or business unit, the bill rendered shall not be less than the minimum monthly charge applicable to each unit multiplied by the number of units on the site at the time the meter is read, or the actual charge for the water used or the size of the meter installed, whichever is greater.

The Town shall have the right to require a separate meter for each family or business unit, but such requirement shall not be unreasonably required or insisted upon by the Town.

Motels and hotels shall pay according to the amount of water used or the size of meter installed, whichever is greater.

TRAILER COURTS
House trailer courts as defined by State law shall be provided with a master meter or master meters. NO bill shall be rendered for less than the following:

The minimum charge applicable to each multiplied by the number of units situated on the court site at the time the meter is read, or the actual charge for water used or size of the meter installed, whichever is greater. House trailers, as used hereinabove, shall include both mobile and immobile units.

House trailers, either mobile or immobile, located on sites other than a park or court, shall be billed in the same manner as any other family or business unit.

EFFECTIVE DATE
This Ordinance shall be effective upon completion of the sewer facilities project of the Town, expected to be on or about May 1, 1993, but in no event prior to 45 days after enactment hereof.

SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES, ETC.

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

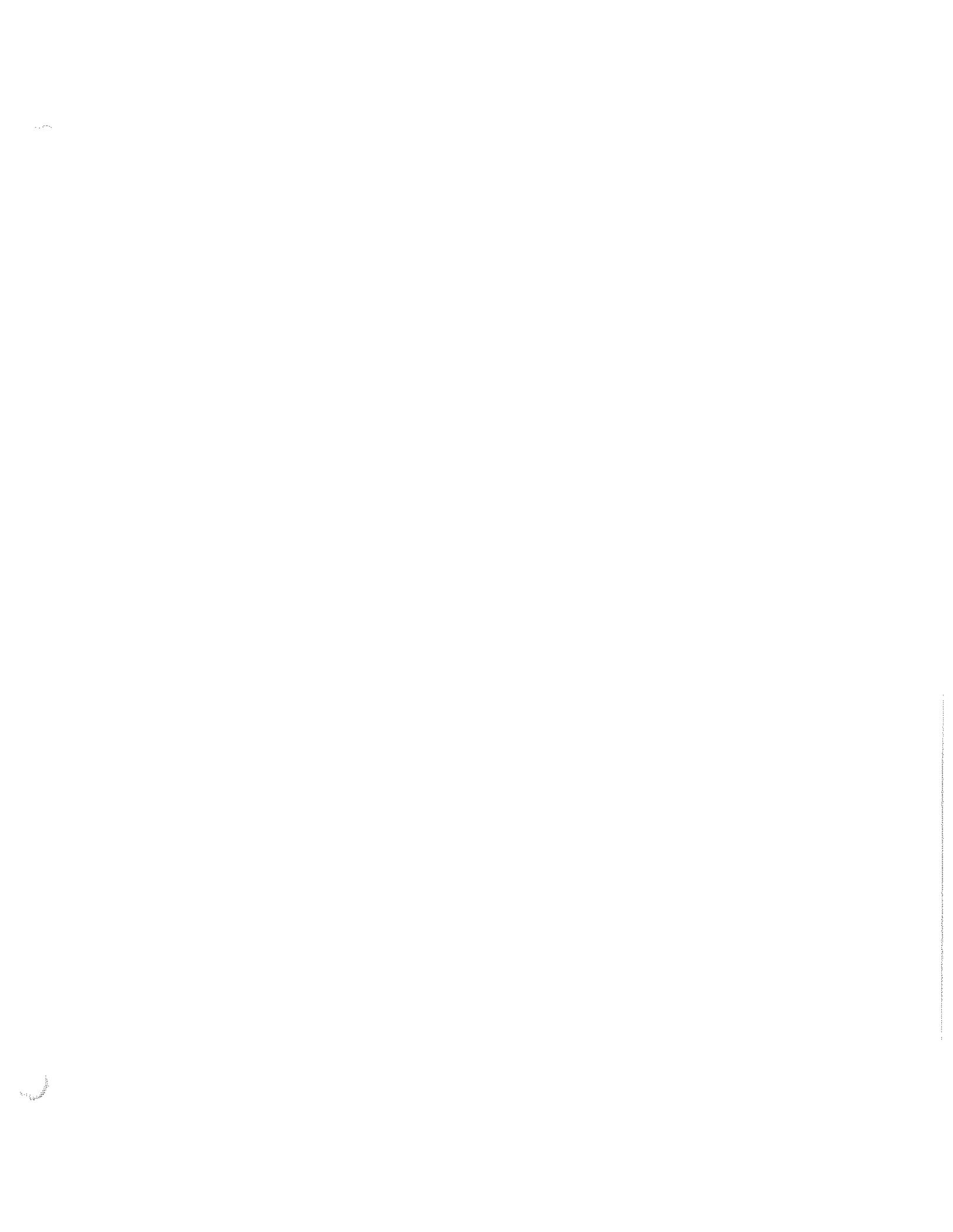
STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in the Welch Daily News, being the only newspaper published and of general circulation in McDowell County, West Virginia, and being of general circulation in the Town of Bradshaw and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 9th day of March, 1993, at 7:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

The above Ordinance has been introduced at a meeting of Council held February 23, 1993. Any person interested may appear before Council on the 9th day of March, 1993, at 7:00 p.m., and present protests.

Susie Shelton
Recorder

224,32c



Minutes-Regular Meeting

The last regular meeting of the Bradshaw City Council was held on September 2, 1992.

Mayor Laxton called the meeting to order and it was opened.

Those present were: Mayor Laxton
Recorder Shelton
Councilors: Rowe
Mundy
Puckett

The minutes from the August meeting were read. Council Mundy made the motion to accept the minutes. Council Rowe seconded and the minutes were accepted by a vote of 5-0.

✓ First on the agenda was the introduction of the ordinance establishing and fixing rates, fees, charges, and delayed payment penalties on the Bradshaw Sewer System. The ordinance was read by Recorder Shelton and given to Council to review before voting on its passage. After their review, Council Mundy moved to accept the ordinance, Council Chafin seconded and the ordinance was passed by a vote of 3-0. It was announced that there would be a second public meeting and vote by Council on this ordinance. Publication would appear in the Welch Daily News and the date of the second meeting and public hearing would be announced therein.

Mayor Laxton then questioned Councilman Rowe about his continued efforts to construct a retaining wall on the property directly behind the Bradshaw Municipal Building. There was much discussion about the legality of constructing the wall in its present location. Mayor Laxton continued to point out that it was against Town Ordinances to construct a retaining wall that interfered with normal stream activity. Councilman Rowe explained that he had gone through all the proper channels to insure that he was breaking no State or Federally mandated laws governing such activity. After a lengthy debate, it was decided to adjourn the meeting.

Council Mundy moved to adjourn, Council Chafin seconded, and the Council voted to adjourn the meeting by a vote of 3-0.

William D. Laxton - Mayor

Jessie Keltner - Recorder

The last regular meeting of the Greenshaw City Council was held on October 10, 1992. Mayor Laxton called the meeting to order and roll was taken.

Those present were: Mayor Laxton
Recorder Shelton
Councilors: Mundy
Rowe
Puckett

The minutes were read and Councilor Rowe moved to accept them, Councilor Puckett seconded and the minutes were accepted by a vote of 3-0.

First on the agenda was the second reading of the sewer rates ordinance. The ordinance was read by Recorder Shelton and given to Councilor to review. After a call to vote by the Mayor, Councilor Mundy moved to accept the ordinance, Councilor Rowe seconded, and the ordinance was passed by a vote of 3-0. Mayor Laxton expressed his hopes that the final rates would be even lower than those presently published.

The next discussion concerned the Sewer Project finances. The Town has been informed by Region 1 that it has become necessary to borrow not less than \$500,000.00 to set up an interim financing account. This has been determined by the Bond Counsel to be a necessary step which the Town must take. The Interim Financing account would protect the town from being unable to meet the day to day financing costs of the Sewer Project once it got underway. More negotiations are being held on the subject.

Recorder Shelton presented Council with a financial statement for all the Town's active accounts.

Two reports were given on the Town's current legal affairs. The incident involving former officer Tracy Pulline is still in the pre-trial stages. The Mayor is in the process of negotiations which would alleviate the involvement of the Council members in the suit. Also discussed was the recent notification of another pending suit against the Town. This suit is being filed by the family of woman who was murdered inside the corporate limits. The family alleges that there was not sufficient police response to calls made prior to the crime. No other information is available on this matter.

The Mayor asked Council to consider financing solutions to two problems currently facing the town. One was the funding of the water treatment plant. The other was the funding of the water conservation and water conservation program.

Facilities were both present to agree that the water line project
with collecting from people who had no water. The Board of
Public Council to consider making the utilities responsible
for each rental unit or house an ordinance that would require
that both utilities are taken care of on a regular basis.
This project will be tabled until the October meeting.

Next on the agenda was discussion of the Town's recent
problems with the existing sewer system. The leakage from
the line around the Burns National Bank was causing
disturbance to the Bradshaw Elementary School. The school
advised the town that the line was not their responsibility
since it had been determined that the blockage was coming
from a residence. The resident, Roger Brooker said that the
blockage was not in his tributary line but in the main trunk
line running through town. The Board of Education filed an
injunction against the Town to insure that the leak was
fixed. The Town, along with the Board of Education exposed
the line and fixed the length of pipe that was blocked and
causing the leakage. It was determined that the source of
the blockage was coming from Mr. Brooker's tributary line.
Council was asked to refer a decision on billing the customer
for repairs. This decision was to be tabled until the
November meeting.

The police department was topic of the next discussion. It
was explained by the Mayor that the War City Council asked its
patrolmen to tender their resignations to the Town of
Bradshaw. Officer Mark Shelton resigned his position as
Chief of Police and Jerry Jenks was appointed as new Chief
for the Town of Bradshaw. Officer Roger Deal has decided to
remain in service for the Town on a part time basis.

After this discussion Council decided to adjourn with Council
Hancy making the motion, Council Rowe seconding, and a vote
3-0.

William B. Lantz
Mayor

Jessie Keltner
Recorder

SPECIAL MEETING

SPECIAL MEETING OF THE BRADSHAW CITY COUNCIL WAS HELD IN 8-25-70

MAYOR LAXTON CALLED THE MEETING TO ORDER AND ROLL WAS TAKEN. THOSE PRESENT WERE: MAYOR LAXTON, RECORDER SHELTON, COUNCILMEN: CALBERT, MUNDY, PICKETT, ALVE, AND CHAFFIN.

THE MINUTES FROM THE FEB. 4 MEETING WERE READ AND APPROVED BY COUNCIL WITH A 5-0 VOTE.

MAYOR LAXTON ANNOUNCED THAT DAVID COLE FROM REGION 3 AND BILL WINFREY AS TOWN'S COUNCIL WERE PRESENT TO ANSWER ANY QUESTIONS CONCERNING THE ORDINANCES TO BE ACTED UPON BY CITY COUNCIL.

THE FIRST ORDER OF BUSINESS WAS THE PUBLIC DISCUSSION OF THE BOND ORDINANCE. LADY WRIGHT, JR. PRESENTED SEVERAL QUESTIONS TO COUNCIL CONCERNING THE ORDINANCE. THE QUESTIONS WERE ANSWERED BY MR. WINFREY. AFTER A BRIEF DISCUSSION, THE ORDINANCE WAS READ FOR A THIRD TIME AND VOTED ON. COUNCIL MUNDY MADE THE MOTION TO ACCEPT COUNCIL CHAFFIN SECONDED AND THE ORDINANCE PASSED ON ITS THIRD READING BY A VOTE OF 5-0.

THE NEXT ORDER OF BUSINESS WAS THE SEWER USE ORDINANCE. THE ORDINANCE WAS READ BY TITLE AND EXPLAINED TO COUNCIL BY THE RECORDER AND TOWN'S COUNSEL BILL WINFREY. AFTER A BRIEF DISCUSSION, THE ORDINANCE WAS ACCEPTED BY COUNCIL BY UNANIMOUS VOTE.

✓ THE LAST MATTER BROUGHT TO COUNCIL WAS THE RATE AMENDMENT ORDINANCE. THIS ORDINANCE WAS READ BY TITLE AND EXPLAINED TO COUNCIL. AFTER BRIEF DISCUSSION, THE ORDINANCE WAS BROUGHT TO VOTE AND PASSED BY UNANIMOUS VOTE.

MAYOR LAXTON ANNOUNCED THAT THESE ORDINANCES, EXCEPT THE BOND ORDINANCE, WOULD BE READ FOR A SECOND TIME AT A REGULAR MEETING ON MARCH 9.

COUNCIL MUNDY MADE THE MOTION TO ADJOURN, COUNCIL CHAFFIN SECONDED AND THE MEETING WAS ADJOURNED BY A VOTE OF 5-0.

William B Laxton
MAYOR

Jessie Skilton
RECORDER

100-100-100
REGULAR MEETING
MARCH 9, 1980

MINUTES OF MARCH 9, 1980

ON MARCH 9, 1980 THE BROADVIEW CITY COUNCIL HELD ITS
REGULARLY SCHEDULED MEETING.

MAYOR LAYTON CALLED THE MEETING TO ORDER AND ROLL WAS
TAKEN. THOSE PRESENT WERE MAYOR LAYTON, RECORDER SHELTON,
AND COUNCILMEN CHAPIN, CALDWELL, MUNDY, RUCKETT, AND ROWE.

RECORDER SHELTON READ THE MINUTES FROM THE SPECIAL MEETING
HELD ON 2-22-80. THE MINUTES WERE ACCEPTED BY COUNCIL BY
A VOTE OF 3-0.

THE FIRST ORDER OF BUSINESS WAS THE SECOND READINGS OF THE
PROPOSED ORDINANCES CONCERNING THE SEWER PROJECT.

✓ RECORDER SHELTON FIRST READ THE RATE AMENDMENT ORDINANCE.
THE ORDINANCE WAS READ BY TITLE AND BRIEFLY EXPLAINED FOR A
SECOND TIME TO COUNCIL. COUNCIL MUNDY MADE THE MOTION TO
PASS THE ORDINANCE ON ITS SECOND READING, COUNCIL RUCKETT
SECONDED AND THE ORDINANCE WAS PASSED ON ITS SECOND READING.

THE NEXT ORDINANCE WAS THE SEWER USE ORDINANCE. IT WAS
READ BY TITLE BY THE RECORDER. COUNCIL MUNDY MADE THE MOTION
TO PASS THE SEWER USE ORDINANCE, COUNCIL ROWE SECONDED AND
THE ORDINANCE WAS PASSED ON ITS SECOND READING BY A VOTE OF
5-0.

COUNCIL THEN PROCEEDED TO DISCUSS THE SEWER PROJECT AND
WHERE IT STOOD AS FAR AS CONSTRUCTION WAS CONCERNED.

MAYOR LAYTON INFORMED COUNCIL THAT A TENTATIVE AGREEMENT
WAS MADE WITH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION.
THE AGREEMENT WOULD ASK COUNCIL TO PASS A RESOLUTION AGREEING
TO COMMIT A PORTION OF THE BUSINESS AND OCCUPATION TAXES TO
A RESERVE ACCOUNT FOR THE TOWN TO CONTRIBUTE AS LOCAL SHARE
TO THE PROJECT BUDGET. COUNCIL BRIEFLY DISCUSSED THE
PROPOSED RESOLUTION. COUNCIL MUNDY MADE THE MOTION TO PASS
THE RESOLUTION, COUNCIL CHAPIN SECONDED AND THE RESOLUTION
WAS PASSED BY A VOTE OF 5-0. COUNCIL WAS INFORMED THAT A
COPY OF THE MINUTES OF THIS MEETING WOULD BE FORWARDED TO THE
APPROPRIATE AGENCIES TO INSURE OF COUNCIL'S WILLINGNESS TO
COMMIT THIS REVENUE.

AT MEETING'S END COUNCIL MUNDY MADE THE MOTION TO ADJOURN,
COUNCIL ROWE SECONDED AND THE MEETING WAS ADJOURNED WITH A
VOTE OF 5-0.

William B. Layton
MAYOR

Jessie Speltz
RECORDER



MINUTES-SPECIAL MEETING

FEBRUARY 2, 1993

MAYOR LAXTON CALLED THE MEETING TO ORDER AND ROLL WAS TAKEN. THOSE PRESENT WERE MAYOR LAXTON, RECORDER SHELTON, AND COUNCILS: ROWE, MUNCY, PUCKETT, CHAFIN, AND DAUGHERTY.

THE MINUTES WERE READ AND COUNCIL MUNCY MOVED TO ACCEPT. COUNCIL CHAFIN SECONDED AND THE MINUTES WERE ACCEPTED BY A VOTE OF 5-0.

THE SANITARY BOARD ORDINANCE WAS PRESENTED TO COUNCIL FOR A SECOND VOTE. AFTER A REVIEW COUNCIL MUNCY MOVED TO ACCEPT THE ORDINANCE, COUNCIL CHAFIN SECONDED AND THE FINAL VOTE WAS IN FAVOR OF THE ORDINANCE BY 5-0.

COUNCIL THEN PROCEEDED WITH THE NEXT ORDER OF BUSINESS WHICH WAS THE APPOINTMENT OF A SANITARY BOARD MEMBER. MAYOR LAXTON SUGGESTED THAT ALFONSO CAROLLA FILL THIS POSITION. COUNCIL MUNCY MADE THE MOTION TO APPOINT, COUNCIL ROWE SECONDED AND THE APPOINTMENT WAS ACCEPTED BY A VOTE OF 5-0.

AT THIS TIME THE MAYOR ADJOURNED THE COUNCIL MEETING TO MEET WITH THE NEWLY FORMED SANITARY BOARD, WHICH CONSISTS OF HIMSELF AS CHAIR, AND ALFONSO CAROLLA AS THE COUNCIL APPOINTED MEMBER.

AFTER THE MEETING OF THE SANITARY BOARD, MAYOR LAXTON CALLED THE COUNCIL MEETING TO ORDER. SANITARY BOARD MEMBER CAROLLA THEN PRESENTED COUNCIL WITH A PETITION DRAWN UP BY THE SANITARY BOARD REQUESTING COUNCIL TO ACCEPT THE SEWER BOND REVENUE ORDINANCE TO BE PRESENTED TO THEM.

SANITARY BOARD MEMBER CAROLLA DISCUSSED SOME OF THE SPECIFICS OF THE BOND ORDINANCE WITH COUNCIL. AFTER REVIEWING THE ORDINANCE, COUNCIL ROWE MADE THE MOTION TO ACCEPT THE ORDINANCE, COUNCIL MUNCY SECONDED AND THE BOND ORDINANCE WAS PASSED BY A VOTE OF 5-0.

IT WAS ANNOUNCED THAT THERE WOULD BE SECOND READING OF THIS ORDINANCE AT THE REGULAR MEETING OF CITY COUNCIL ON FEBRUARY 15, 1992.

AT THE MEETING'S END COUNCIL MUNCY MADE THE MOTION TO ADJOURN, COUNCIL ROWE SECONDED, AND THE MEETING WAS ADJOURNED BY A VOTE OF 5-0.

Jasie Shelton - Recorder

William B. Laxton

REGULAR MEETINGS

ON FEBRUARY 5, 1968, THE BRADSHAW CITY COUNCIL HELD ITS REGULARLY SCHEDULED MEETING.

MAYOR LAXTON CALLED THE MEETING TO ORDER AND HEED WAS TAKEN. THOSE PRESENT WERE MAYOR LAXTON, FREDERICK BRILLON, CLARENCE BRIDY, ROBERT ROWE, DATION, AND WILSON.

AFTER THE MINUTES FROM THE FEBRUARY 5TH MEETING WERE READ, COUNCIL MEMBERS MOVED TO ACCEPT THE MINUTES. COUNCIL ROWE SECONDED, AND COUNCIL ACCEPTED BY A VOTE OF 5-0.

COUNCIL WAS PRESENTED WITH THE SEWER BOND ORDINANCE TO REVIEW A SECOND TIME. AFTER SOME DISCUSSION, COUNCIL MOVED TO VOTE. COUNCIL MEMBERS MADE THE MOTION TO PASS THE BOND ORDINANCE ON ITS SECOND READING. COUNCIL CHAPIN SECONDED AND THE BOND ORDINANCE PASSED ON ITS SECOND READING BY A VOTE OF 5-0.

MAYOR LAXTON THEN INFORMED COUNCIL THAT THE TOWN IS RESPONSIBLE FOR ACQUIRING AN ADDITIONAL \$65,000 FOR THE SEWER PROJECT. COMPTON CONSTRUCTION, WHO BID ON THE SEWER TREATMENT PHASE OF THE PROJECT, IS ASKING AN ADDITIONAL \$80,000 OVER THEIR ORIGINAL BID PRICE BECAUSE OF THE TIME DELAY. NO FURTHER INFORMATION IS AVAILABLE ON THE SITUATION. ASSISTANT IS WORKING ON SECURING THE MONEY.

THE FINAL READING AND PUBLIC HEARING ON THE BOND ORDINANCE WILL BE HELD AT 7 PM ON FEBRUARY 23RD.

THE TOWN HAS A MUNICIPAL ELECTION THIS YEAR. FILING WILL BEGIN ON FEBRUARY 23RD. SOME OF THE ELECTION LAWS HAVE CHANGED FURTHER DETAILS ON THESE CHANGES WILL BE EXPLAINED DURING THE FILING PERIOD.

COUNCIL WAS ASKED FOR QUESTIONS AND COMPLAINTS. SEVERAL PEOPLE COMMENTED THAT THERE WAS UNCLE AGAIN PROBLEMS WITH TRAILING TRUCKS. THE MAYOR REPLIED COUNCIL THAT HE WAS AWARE OF THE PROBLEM AND THE POLICE WOULD BE INFORMED TO ACT ON THIS COMPLAINT.

THE NEXT TOPIC OF DISCUSSION CONCERNED THE BOND TO BE ISSUED FOR ELEMENTARY SCHOOL. THE MAYOR INFORMED COUNCIL THAT HE HAS HAD PRELIMINARY DISCUSSIONS WITH THE BOARD OF EDUCATION AND HOPES TO SUBMIT THE BOND TO THE TOWN MEMBERS FOR DISCUSSION. COUNCIL MEMBERS MADE A MOTION TO REFER THE MATTER TO THE BOARD OF EDUCATION AND HOPES TO SUBMIT THE BOND TO THE TOWN MEMBERS FOR DISCUSSION. COUNCIL MEMBERS MADE A MOTION TO REFER THE MATTER TO THE BOARD OF EDUCATION AND HOPES TO SUBMIT THE BOND TO THE TOWN MEMBERS FOR DISCUSSION. COUNCIL MEMBERS MADE A MOTION TO REFER THE MATTER TO THE BOARD OF EDUCATION AND HOPES TO SUBMIT THE BOND TO THE TOWN MEMBERS FOR DISCUSSION.

MARCH 14, 1950

SPECIAL MEETING

A SPECIAL MEETING OF THE BRADSHAW CITY COUNCIL WAS HELD AT 7:30 P.M.

MAYOR LAXTON CALLED THE MEETING TO ORDER AND FOLL THE FOLL. THOSE PRESENT WERE: MAYOR LAXTON, RECORDER SHELTON, COUNCILOR DAUGHERTY, MUNCY, WICKETT, HALE, AND CHAFIN.

THE MINUTES FROM THE REGULAR MEETING WERE READ AND APPROVED BY COUNCIL WITH A 5-0 VOTE.

MAYOR LAXTON ANNOUNCED THAT DAVID COLE FROM REGION 1 AND BILL WINFREY AS TOWN'S COUNCIL WERE PRESENT TO ANSWER ANY QUESTIONS CONCERNING THE ORDINANCES TO BE ACTED UPON BY CITY COUNCIL.

✓ THE FIRST ORDER OF BUSINESS WAS THE PUBLIC DISCUSSION OF THE BOND ORDINANCE. LADY WRIGHT, JR. PRESENTED SEVERAL QUESTIONS TO COUNCIL CONCERNING THE ORDINANCE. THE QUESTIONS WERE ANSWERED BY MR. WINFREY. AFTER A BRIEF DISCUSSION, THE ORDINANCE WAS READ FOR A THIRD TIME AND VOTED ON. COUNCIL MUNCY MADE THE MOTION TO ACCEPT COUNCIL CHAFIN SECONDED AND THE ORDINANCE PASSED ON ITS THIRD READING BY A VOTE OF 5-0.

THE NEXT ORDER OF BUSINESS WAS THE SEWER USE ORDINANCE. THE ORDINANCE WAS READ BY TITLE AND EXPLAINED TO COUNCIL BY THE RECORDER AND TOWN'S COUNSEL BILL WINFREY. AFTER A BRIEF DISCUSSION, THE ORDINANCE WAS ACCEPTED BY COUNCIL BY UNANIMOUS VOTE.

THE LAST MATTER BROUGHT TO COUNCIL WAS THE RATE AMENDMENT ORDINANCE. THIS ORDINANCE WAS READ BY TITLE AND EXPLAINED TO COUNCIL. AFTER BRIEF DISCUSSION, THE ORDINANCE WAS BROUGHT TO VOTE AND PASSED BY UNANIMOUS VOTE.

MAYOR LAXTON ANNOUNCED THAT THESE ORDINANCES, EXCEPT THE BOND ORDINANCE, WOULD BE READ FOR A SECOND TIME AT A REGULAR MEETING ON MARCH 9.

COUNCIL MUNCY MADE THE MOTION TO ADJOURN. COUNCIL CHAFIN SECONDED AND THE MEETING WAS ADJOURNED BY A VOTE OF 5-0.

Walter B. Laxton
MAYOR

Jessie Shelton
RECORDER

TOWN OF BRADSHAW

Box 450

BRADSHAW, WEST VIRGINIA 24817

March 29, 1993

Minutes Special Meeting

On March 23, 1993, the Bradshaw City Council called to order a special meeting to finalize details of the proposed sewer project.

Mayor Laxton called the meeting to order. Roll was taken. Those present were: Mayor Laxton, Recorder Shelton, Councils Muncy, Daugherty, and Puckett.

The first issue brought up by Council was the appointment of a new Sanitary Board member. The Town was advised that it would be wise to appoint an Engineer to sit on the Sanitary Board that was not an actively involved member of the project. Council was advised that John Caffrey of Welch has volunteered to serve in this position until construction of the project is completed. Council Muncy made the motion to appoint John Caffrey to the Sanitary Board, Council Puckett seconded, and the appointment was passed by a vote of 3-0.

The next order of business concerned the Supplemental Resolution for the Sewer Revenue Bonds. Council briefly discussed the proposed supplemental resolution, then the Resolution was read by title by the Recorder. Council Puckett made the motion to accept the ordinance, Council Muncy seconded and the resolution was passed by a vote of 3-0.

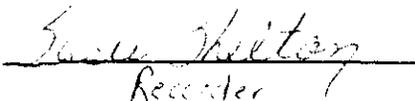
The last item on the agenda required Council to act on a proposed contract between the Town and Region I as our Project Coordinator. Council had previously supported the contract, but was asked by DEP to authorize the contract in its new format. Council Muncy made the motion to accept, Council Daugherty seconded, and the contract agreement was accepted by a vote of 3-0.

At the meeting's end, Council Muncy made a motion to Council to authorize the Recorder to be hired by the Town to execute any administrative duties required by the Town concerning the Sewer System, and to receive any salary due for these services from the budget line item appropriated for such expenses. Council Puckett seconded, and the motion was passed by a vote of 3-0.

Council Muncy made the motion to adjourn, council Puckett seconded and the meeting was adjourned by a vote of 3-0.



Mayor



Recorder



STEPTOE & JOHNSON

715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25320-1588
(304) 353-8000
FACSIMILE (304) 353-8180

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
MARTINSBURG, W. VA. 25401-4399
(304) 263-6991
FACSIMILE (304) 263-4785

ATTORNEYS AT LAW
SIXTH FLOOR
UNION NATIONAL CENTER EAST
P. O. BOX 2190
CLARKSBURG, W. VA. 26302-2190
(304) 624-8000
FACSIMILE (304) 624-8183

64 WEST CONGRESS STREET
P. O. BOX 00
CHARLES TOWN, W. VA. 25414-0100
(304) 725-4114
FACSIMILE (304) 725-1913

THE BRYAN CENTRE
82 WEST WASHINGTON STREET, SUITE 401
HAGERSTOWN, MARYLAND 21740-4801
(301) 791-8620
FACSIMILE (301) 739-3948
WRITER'S DIRECT DIAL NUMBER

March 31, 1993

Town of Bradshaw Sewer Revenue Bonds

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,
Stephoe & Johnson
STEPTOE & JOHNSON

Enclosure
Copy of letter with enclosure to:
Samme L. Gee, Esquire
William S. Winfrey, II, Esquire
The Honorable William B. Laxton
03/24/93
8038.LTR
09966/90001

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)

Part I Reporting Authority

Check box if Amended Return

1 Issuer's name Town of Bradshaw		2 Issuer's employer identification number 55-0606936	
3 Number and street P. O. Box 469		4 Report number G1993 - 1	
5 City or town, state, and ZIP code Bradshaw, West Virginia 24817		6 Date of issue 3/31/93	
7 Name of Issue Town of Bradshaw Sewer Revenue Bonds, Series 1993 A		8 CUSIP Number N/A	

Part II Type of Issue (check box(es) that applies and enter the Issue Price)

9 Check box if obligations are tax or other revenue anticipation bonds <input type="checkbox"/>	Issue price \$ 245,806
10 Check box if obligations are in the form of a lease or installment sale <input type="checkbox"/>	
11 <input type="checkbox"/> Education	
12 <input type="checkbox"/> Health and hospital	
13 <input type="checkbox"/> Transportation	
14 <input type="checkbox"/> Public safety	
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	
16 <input type="checkbox"/> Housing	
17 <input type="checkbox"/> Utilities	
18 <input type="checkbox"/> Other. Describe (see instructions) <input type="checkbox"/>	

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	10/1/2031	7.75%	18,697	18,697			
20 Entire issue			245,806	245,806	27.57 years	7.75 %	7.57 %

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	245,806
23 Proceeds used for bond issuance costs (including underwriters' discount)	23	8,300
24 Proceeds used for credit enhancement	24	-0-
25 Proceeds allocated to reasonably required reserve or replacement fund	25	20,147
26 Proceeds used to refund prior issues	26	-0-
27 Total (add lines 23, 24, 25, and 26)	27	28,447
28 Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)	28	217,359

Part V Description of Refunded Bonds (complete this part only for refunding bonds) N/A

29 Enter the remaining weighted average maturity of the bonds to be refunded years

30 Enter the last date on which the refunded bonds will be called

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 West Virginia Water Development Auth and the date of the issue August 27, 1991

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.

Please Sign Here

William B. Laxton
Signature of officer

March 31, 1993
Date

William B. Laxton, Mayor
Type or print name and title

WV MUNICIPAL BOND COMMISSION
 Suite 337 Building 3
 1800 Washington St. E
 State Capitol Complex
 Charleston, WV 25305
 (304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: March 31, 1993

(See Reverse for Instructions)

ISSUE: Town of Bradshaw Sewer Revenue Bonds, Series 1993 A

ADDRESS: P. O. Box 469, Bradshaw, WV 24817

COUNTY: McDowell

PURPOSE New Money Refunding

OF ISSUE: Refunds issue(s) dated: _____

ISSUE DATE: March 31, 1993

CLOSING DATE: March 31, 1993

ISSUE AMOUNT: \$ 245,806

RATE: 7.75%

1st DEBT SERVICE DUE: October 1, 1993

1st PRINCIPAL DUE: October 1, 1993

1st DEBT SERVICE AMOUNT: \$10,673.90

PAYING AGENT: Municipal Bond Commission

ISSUERS

BOND COUNSEL: Steptoe & Johnson

Contact Person: Walter L. Williams, Esq.

Phone: 624-8152

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly

Contact Person: Samme L. Gee, Esquire

Phone: 340-1318

CLOSING BANK: One Valley Bank

Contact Person: Charlotte Morgan

Phone: 348-7239

ESCROW TRUSTEE:

Contact Person: _____

Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: William Laxton

Position: Mayor

Phone: 967-7408

OTHER:

Contact Person: _____

Function: _____

Phone: _____

DEPOSITS TO MBC AT CLOSE:

By Wire
 Check

Accrued Interest: \$ _____

Capitalized Interest: \$ 30,450

Reserve Account: \$ 20,147

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: _____

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

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

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

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

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

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

WV MUNICIPAL BOND COMMISSION
 Suite 337 Building 3
 1800 Washington St. E
 State Capitol Complex
 Charleston, WV 25305
 (304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: March 31, 1993

(See Reverse for Instructions)

ISSUE: Town of Bradshaw Sewer Revenue Bonds, Series 1993 B

ADDRESS: P. O. Box 469, Bradshaw, WV 24817

COUNTY: McDowell

PURPOSE New Money Refunding

OF ISSUE: Refunding Refunds issue(s) dated: _____

ISSUE DATE: March 31, 1993

CLOSING DATE: March 31, 1993

ISSUE AMOUNT: \$ 8,194

RATE: 0%

1st DEBT SERVICE DUE: October 1, 1993

1st PRINCIPAL DUE: October 1, 1993

1st DEBT SERVICE AMOUNT: \$210.10

PAYING AGENT: Municipal Bond Commission

ISSUERS

BOND COUNSEL: Steptoe & Johnson

Contact Person: Walter L. Williams, Esq.

Phone: 624-8152

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly

Contact Person: Samme L. Gee, Esquire

Phone: 340-1318

CLOSING BANK: One Valley Bank

Contact Person: Charlotte Morgan

Phone: 348-7239

ESCROW TRUSTEE: _____

Contact Person: _____

Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: William Laxton

Position: Mayor

Phone: 967-7408

OTHER: _____

Contact Person: _____

Function: _____

Phone: _____

DEPOSITS TO MBC AT CLOSE:

By Wire
 Check

Accrued Interest: _____

Capitalized Interest: _____

Reserve Account: \$ 210

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: _____

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

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

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

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

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

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





DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor

John M. Ranson
Cabinet Secretary

David C. Callaghan
Director

Ann A. Spaner
Deputy Director

March 22, 1993

Honorable William B. Laxton
Mayor, Town of Bradshaw
Box 450
Bradshaw, West Virginia 24817

RE: Town of Bradshaw
C-540700-01

Dear Mayor Laxton:

You are hereby advised that the bidding procedures for Contracts 1 and 2A have been reviewed and approved. The contracts may now be awarded to the low, responsive bidder, Pipe Plus, Incorporated and Coleman Trainor and Company as indicated by the proposal you submitted.

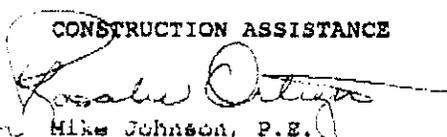
As the revised eligible project cost is \$2,828,100, the grant has been increased to an amount not to exceed \$1,991,190 which includes Basic funds of \$591,326, Alternative funds of \$435,740, and Small Community funds of \$964,124. The Part B documents and the grant increase will be made under separate cover.

Certain construction activities have been assigned to our Engineering Section. You will be contacted by a representative of this section in the near future.

Should you have any questions, please contact Elbert Morton or Rosalie Ortega of my staff at (304) 558-0637.

Sincerely,

CONSTRUCTION ASSISTANCE


Mike Johnson, P.E.
Assistant Chief

MJ/cga

cc: Draper Aden Associates
Region I PDC
Bernie Yonkosky, WDA

29 A



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Region III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

CERTIFIED MAIL

RE: C-540700-01
Town of Bradshaw

Honorable William B. Laxton
Mayor, Town of Bradshaw
Box 450
Bradshaw, West Virginia 24817

Dear Mayor Laxton:

You were advised by letter, dated March 22, 1993, that the bidding procedures for Contracts 1 and 2A of the referenced project were approved and that the contracts could be awarded to the low responsive bidders as indicated by the proposal you submitted.

In addition, EPA Form 5780-1B is approved with the following revisions:

<u>Item</u>	<u>For Grant Participation</u>
A. Construction	
Contract 1	\$ 1,420,585
Contract 2A	804,000
Later Contract	17,400
B. Technical Services	257,098
C. Project Coordinator	14,000 ^{1/}
D. Contingency	108,234 ^{2/}
E. Final Planning & Design Allowance	<u>208,783</u> ^{3/}
F. TOTAL	\$ 2,828,100

- ^{1/} Eligible amount as indicated in Project Coordinator Agreement
^{2/} Based on Eligible costs
^{3/} Based on Table 1 of Allowance Regulations

As the revised eligible project cost is \$2,828,100, the grant has been increased with the concurrence of the West Virginia Division of Environmental Protection to an amount not to exceed \$1,991,190. The original and a copy of the Assistance Amendment reflecting the increase in Federal obligation are enclosed. Please execute the amendment and return the original, within twenty-one days of your receipt to Mr. Francis R. Snock, Chief, Grants Management Section (3PM71). The copy should be executed and retained for your files.

29B

Page 2

When the contracts have been awarded, one executed copy of the construction contracts, performance and payment bonds, and the Notices-to-Proceed should be promptly submitted to this office, and one similar set forwarded to the West Virginia Division of Environmental Protection. Payment will not be made by this office for construction until our receipt of these items.

The Assistance Agreement for the project has a condition of submission, prior to final inspection, of an acceptable plan for providing proper and efficient operation and maintenance of the facilities to be constructed. It is requested that three copies of this plan be submitted to the State Agency for approval as soon as possible in order that the review may be made prior to your request for final inspection.

In addition, you are requested to provide this office with the name and qualifications of the treatment plant operator prior to your request for fifty (50) percent payment.

We are enclosing information sheets outlining the procedures to be followed in making contract modifications and for submitting partial payment requests.

Sincerely,

Alvin R. Morris, Director
Water Management Division

Enclosures (2)

cc: Mr. Mike Johnson, WVDEP
Mr. Bernie Yonkosky, WVWDA
Draper Aden Associates
Region I P & D Council



DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor

John M. Ranson
Cabinet Secretary

David C. Callaghan
Director

Ann A. Spaner
Deputy Director

March 24, 1993

Mr. Francis R. Snock, Chief
Grants Management Section (3PM71)
US Environmental Protection Agency
Region III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

RE: Town of Bradshaw
C-540700-01

Dear Mr. Snock:

Transmitted are the Part B documents for Contracts 1 and 2A of the above referenced project. The State approves the bidding procedures and the grant increase in the amount of \$282,150 reflecting a revised federal grant of \$1,991,190 which includes \$591,326 in Basic funds, \$435,740 in Alternative funds and \$964,124 in Small Community funds. The total eligible project cost is now \$2,828,100.

Should you have any questions, please contact Rosalie Ortega of my staff at (304) 558-0637.

Sincerely,

CONSTRUCTION ASSISTANCE

Mike Johnson, P.E.
Assistant Chief

MJ/ega

Enclosures

cc: Town of Bradshaw
Draper Aden Associates
Region I PDC
Bernie Yonkosky, WDA

29B



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 Region III
 841 Chestnut Building
 Philadelphia, Pennsylvania 19107

CERTIFIED MAIL

RE: C-540700-01
 Town of Bradshaw

Honorable William B. Laxton
 Mayor, Town of Bradshaw
 Box 450
 Bradshaw, West Virginia 24817

Dear Mayor Laxton:

You were advised by letter, dated March 22, 1993, that the bidding procedures for Contracts 1 and 2A of the referenced project were approved and that the contracts could be awarded to the low responsive bidders as indicated by the proposal you submitted.

In addition, EPA Form 5780-1B is approved with the following revisions:

<u>Item</u>	<u>For Grant Participation</u>
A. Construction	
Contract 1	\$ 1,420,585
Contract 2A	804,000
Later Contract	17,400
B. Technical Services	257,098
C. Project Coordinator	14,000 <u>1/</u>
D. Contingency	108,234 <u>2/</u>
E. Final Planning & Design Allowance	<u>206,783</u> <u>3/</u>
F. TOTAL	\$ 2,828,100

- 1/ Eligible amount as indicated in Project Coordinator Agreement
- 2/ Based on Eligible costs
- 3/ Based on Table 1 of Allowance Regulations

As the revised eligible project cost is \$2,828,100, the grant has been increased with the concurrence of the West Virginia Division of Environmental Protection to an amount not to exceed \$1,991,190. The original and a copy of the Assistance Amendment reflecting the increase in Federal obligation are enclosed. Please execute the amendment and return the original, within twenty-one days of your receipt to Mr. Francis R. Snock, Chief, Grants Management Section (3PM71). The copy should be executed and retained for your files.

When the contracts have been awarded, one executed copy of the construction contracts, performance and payment bonds, and the Notices-to-Proceed should be promptly submitted to this office, and one similar set forwarded to the West Virginia Division of Environmental Protection. Payment will not be made by this office for construction until our receipt of these items.

The Assistance Agreement for the project has a condition of submission, prior to final inspection, of an acceptable plan for providing proper and efficient operation and maintenance of the facilities to be constructed. It is requested that three copies of this plan be submitted to the State Agency for approval as soon as possible in order that the review may be made prior to your request for final inspection.

In addition, you are requested to provide this office with the name and qualifications of the treatment plant operator prior to your request for fifty (50) percent payment.

We are enclosing information sheets outlining the procedures to be followed in making contract modifications and for submitting partial payment requests.

Sincerely,

Alvin R. Morris, Director
Water Management Division

Enclosures (2)

cc: Mr. Mike Johnson, WVDEP
Mr. Bernie Yonkosky, WVWDA
Draper Aden Associates
Region I P & D Council

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 \$ 297,076 IS FOR:
WHOLE DOLLARS

GRANT (Number C-540700-01) A PURCHASE REQUISITION A CONTRACT
 OTHER (Specify):

DESCRIPTION OF PROJECT, GOODS, OR SERVICES

NAME OF GRANTEE/CONTRACTOR/VENDOR
 Town of Bradshaw

EMPLOYER IDENT. NO. (EIN)

TASK, ROAD, OR OTHER LOCAL IDENTIFIER
 Box 450, Bradshaw, West Virginia 24817

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 Section (3PM71)

FUNDS CERTIFICATION

PREPARED BY

APPROVED BY

SIGNATURE
 Carrie L. Grimm *Carrie Grimm*

SIGNATURE
 Kathleen Blinebury

DATE
 March 24, 1993

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:

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: 68X0103.X

FMO USE

DOCUMENT CONTROL NO.

ACCOUNT NUMBER

OBJECT CLASS

DOLLAR AMOUNT

FMO USE														DOCUMENT CONTROL NO.														ACCOUNT NUMBER														OBJECT CLASS				DOLLAR AMOUNT													
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56														
									0	4	0			W	8	R	3	0	8	E	G	W	R	0	3	6	0	0	6	4	1	0	0					2	5	7	9	7	6	0	0														
									0	4	0			W	8	A	3	0	1	E	G	W	A	0	3	6	0	0	6	4	1	0	0					3	9	1	0	0	0	0	0														
									0	4	0																					0	0											0	0														
									0	4	0																					0	0											0	0														

U.S. ENVIRONMENTAL PROTECTION AGENCY
 EPA ASSISTANCE AGREEMENT AMENDMENT
 PART I - ASSISTANCE NOTIFICATION INFORMATION

1. ASSISTANCE ID NO. C-540700-01-2	2. LOG NUMBER Three-C
3. DATE OF AWARD	4. MAILING DATE

5. AGREEMENT TYPE
 Cooperative Agreement
 Grant Agreement
 Assistance Amendment

6. PAYMENT METHOD
 Advance Reimbursement Letter of Credit
 Send Payment Request To: WV DEP
 7. TYPE OF ACTION
 Construction Assistance Increase/Augmentation

8. RECIPIENT
 Town of Bradshaw
 Box 450
 Bradshaw, West Virginia 24817

9. PAYEE
 Town of Bradshaw
 Box 450
 Bradshaw, West Virginia 24817

EIN NO. 54-0470290-A1
 CONGRESSIONAL DISTRICT 3rd

10. RECIPIENT TYPE
 Town

11. PROJECT MANAGER AND TELEPHONE NO.
 William B. Laxton, Mayor
 (304) 967 - 7408

12. CONSULTANT (WWT Construction Grants Only)
 Draper Aden Associates, Incorporated
 P.O. Box 927
 Blacksville, Virginia 24060
 (703) 552-0444

13. ISSUING OFFICE (City/State)
 Philadelphia, Pennsylvania

14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.
 Lee Murphy, Chief
 Municipal Wastewater Projects Section
 (215) 597-3847

15. EPA CONGRESSIONAL LIAISON & TEL. NO.
 Barbara Brooks (202) 382-5660

16. STATE APPL ID (Clearinghouse)

17. FIELD OF SCIENCE
 N/A

18. PROJECT STEP (WWT CG Only)
 II/III

19. STATUTORY AUTHORITY
 Clean Water Act, Title II

20. REGULATORY AUTHORITY
 40 CFR Parts 30, 33 & 35

21. STEP 2 + 3 & STEP 3 (WWT Construction Only)	
a. Treatment Level	3
b. Project Type	NEW
c. Treatment Process	2
d. Sludge Design	5

22. PROJECT TITLE AND DESCRIPTION
 This amendment increase is due to receipt of actual bids and maximum grant limitations.

23. PROJECT LOCATION (Areas Impacted by Project)

City/Place Bradshaw County McDowell State WV Congressional District 3rd

24. ASSISTANCE PROGRAM (CFDA Program No. & Title)
 66.418

25. PROJECT PERIOD
 09/87 - 04/95

26. BUDGET PERIOD
 N/A

27. COMMUNITY POPULATION (WWT CG Only)
 600

28. TOTAL BUDGET PERIOD COST
 N/A

29. TOTAL PROJECT PERIOD COST
 \$ 2,828,100

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
30. EPA Amount This Action	1,709,040	+ 282,150	1,991,190
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			
3. Allowable Project Cost	2,386,200	+ 441,900	2,828,100

Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deoblig. Amount
GWRW80	77-88	68X0103.X	W8R308	EGWR036006	41.11	\$ 257,976
GWRW80	77-88	68X0103.X	W8A302	EGWA036006	41.11	39,100
GSEW80	87	68X0103.K	WS8703	7GSE036006	41.11	- 14,926

TABLE A - OBJECT CLASS CATEGORY
(Non-construction)TOTAL APPROVED ALLOWABLE
BUDGET PERIOD COST

1. PERSONNEL	
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS: RATE % BASE	
11. TOTAL (Share: Recipient _____% Federal _____%)	
12. TOTAL APPROVED ASSISTANCE AMOUNT	\$ N/A

TABLE B - PROGRAM ELEMENT CLASSIFICATION
(Non-construction)

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12. TOTAL (Share: Recipient _____% Federal _____%)	
13. TOTAL APPROVED ASSISTANCE AMOUNT	\$ N/A

TABLE C - PROGRAM ELEMENT CLASSIFICATION
(Construction)Basic
55%Alternative
20%Small Community
55%

1. ADMINISTRATIVE Project Coordinator	14,000	10,871	-00
2. PRELIMINARY EXPENSE			
3. LAND STRUCTURES, RIGHT-OF-WAY			
4. ARCHITECTURAL ENGINEERING BASIC FEES	20,649	94,935	101,605
5. OTHER ARCHITECTURAL ENGINEERING FEES	16,241	46,169	43,215
6. PROJECT INSPECTION FEES	12,733	58,542	62,655
7. LAND DEVELOPMENT			
8. RELOCATION EXPENSES			
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES			
10. DEMOLITION AND REMOVAL			
11. CONSTRUCTION AND PROJECT IMPROVEMENT	887,486	1,740,985	1,354,499
12. EQUIPMENT			
13. MISCELLANEOUS Final Planning & Design Allowance	124,030	160,575	82,753
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	-00	66,623	108,226
19. TOTAL (Share: Recipient <u>29.6</u> % Federal <u>70.4</u> %)	1,075,139	2,178,700	1,752,953
20. TOTAL APPROVED ASSISTANCE AMOUNT Combined (1,991,190)	591,326	\$ 435,740	964,124

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

~~amendment~~ amendment to the Town of Bradshaw

for 70.4 % of all approved costs incurred up to and not exceeding \$ 1,991,190

RECIPIENT ORGANIZATION

ASSISTANCE AMOUNT

for the support of approved budget period effort described in application (including all application modifications)

C-540700-01

Town of Bradshaw

included herein by reference.

ISSUING OFFICE (Grants Administration Office)

AWARD APPROVAL OFFICE

ORGANIZATION/ADDRESS
Environmental Protection Agency
Grants Management Section (3PM71)
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

Stanley L. Laskowski, Acting Regional Administrator

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

William B. Laxton, Mayor

5. Sewer Use Ordinance and User Charge System (40 CFR 35.2208)

The Sewer Use Ordinance must be adopted, and the User Charge System implemented, before the system is placed in operation. The following dates represent an estimate of the timing of those actions.

Sewer Use Ordinance Adoption 04/93

User Charge System Implementation 02/94

6. Notice of Building Completion (40 CFR 35.2216)

The grantee agrees to notify the State when construction is completed and also agrees to submit a preliminary final payment request on schedule. The following dates represent an estimate of the timing of those actions.

Grantee's Request to State for
Final Physical Inspection 04/94

Preliminary Final Payment
Request to the State 06/94

7. 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 04/94

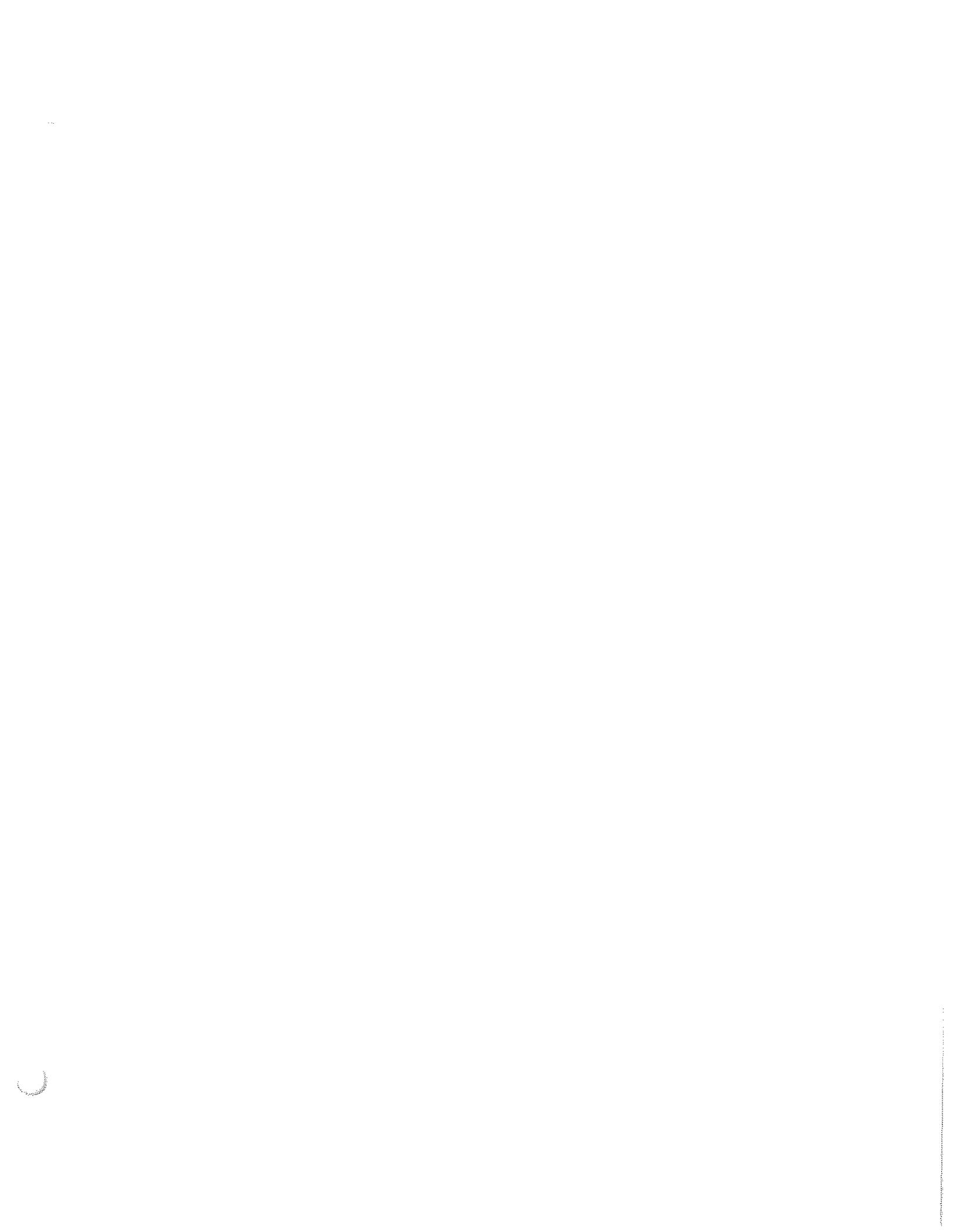
Project Performance Certification 03/95

Final Payment Request 04/95

14. MBE/WBE Reporting

The grantee agrees to submit to the WV Division of Environmental Protection two (2) copies of a completed Standard Form 334 at 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."

All other terms and conditions remain unchanged.



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25308

June 12, 1992

GASTON CAPERTON
GOVERNOR

The Honorable William B. Laxton.
Mayor
Town of Bradshaw
Post Office Box 469
Bradshaw, West Virginia 24817

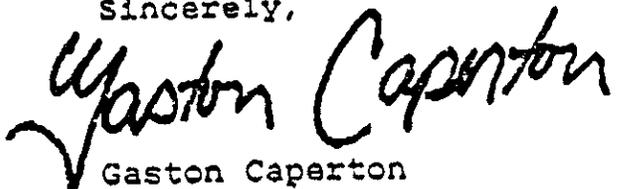
Dear Mayor Laxton:

On September 29, 1989, the town of Bradshaw received a commitment of \$631,606 in Small Cities Block Grant (SCBG) funds for the construction of a sewer system project.

The SCBG award was based upon estimated need for funds. Construction bids have now been received, and actual costs are known. Based upon the town of Bradshaw's ability to proceed with this wastewater treatment project, I am committing an additional \$118,394 from the fiscal year 1992 Small Cities allocation. Your existing SCBG contract will be amended to include the additional funds. My commitment in SCBG funds is now \$750,000.

It is with great pleasure that I am able to work with you to make this improvement a reality.

Sincerely,


Gaston Caperton
Governor

GC:11s



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

GASTON CAPERTON
GOVERNOR

July 16, 1990

RECEIVED
JUL 18 1990

REGION I PLANNING AND
DEVELOPMENT COUNCIL

The Honorable Alfonso D. Corolla
Mayor
Town of Bradshaw
Post Office Box 450
Bradshaw, West Virginia 24817

Dear Mayor Corolla:

On September 29, 1989, the Town of Bradshaw received a commitment of \$631,606 in Small Cities Block Grant funds for the construction of a sewer system project.

The SCBG award was based upon your immediate need for funds; and, therefore, only \$315,803 was made available from the FY 1989 allocation, with a commitment to evaluate your progress and provide the remaining funding from future allocations.

Based upon the Town of Bradshaw's ability to proceed with this worthwhile community development project, I am committing the remaining \$315,803 from the FY 1990 Small Cities allocation. Your existing SCBG contract will be amended to include the additional funds.

It is with great pleasure that I am able to work with you to make this improvement a reality.

Sincerely,

Gaston Caperton
Governor

GC:bks

cc: Region I



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

GASTON CAPERTON
GOVERNOR

September 29, 1989

The Honorable Alfonso D. Carolla
Mayor
Town of Bradshaw
Post Office Box 469
Bradshaw, West Virginia 24817

Dear Mayor Carolla:

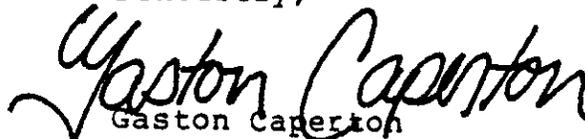
Thank you for your application to the Small Cities Block Grant program for Fiscal Year 1989.

I am pleased to approve your application in the amount of \$631,606 to the Town of Bradshaw for the construction of a sewer system to serve the Town of Bradshaw.

In order to most effectively use the limited dollars available, I hereby commit \$315,803 from our FY 1989 allocation which will be immediately available to you. The remaining \$315,803 necessary to complete this project will be evaluated and committed in the coming fiscal year. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind. My Community Development staff will contact you to complete the necessary contracts in order to proceed with your project.

It is with great pleasure that I am able to work with you to make this improvement a reality for the citizens of Bradshaw.

Sincerely,


Gaston Caperton
Governor

GC:bwm

STATE OF WEST VIRGINIA
GOVERNOR'S OFFICE OF COMMUNITY
AND INDUSTRIAL DEVELOPMENT

GRANT AWARD

Grant Number: 90-183

Payment Number: _____ State Acct. No.:
121-8029-05-025-13

Fiscal Year: 1990 Program Name:
SCBG

Grant Period:
From: September 29, 1989
To: September 30, 1991

Project Name: sewer system

Grant ID: B89DC540001

Project Number: 89SCBG0069X

Grantee Name & Address:

F.E.I.N.
000-000-327-1

Town of Bradshaw
P.O. Box 469
Bradshaw, WV 24817

Project Description

Shall do, perform, and carry out, in a satisfactory and proper manner all duties, tasks, and functions necessary to construct a sanitary sewer collection and treatment facility to serve the Town of Bradshaw to include 32,948 lineal feet of collection lines, 200 residential connections, 100 vaccum valves and pits along with a secondary treatment facility and one central vaccum collector station and influent pumps.

Change Orders

Number: _____ Date: _____ Purpose: _____

TERMS AND CONDITIONS ARE ON FILE IN THE GOVERNOR'S OFFICE OF COMMUNITY AND INDUSTRIAL DEVELOPMENT AND AVAILABLE FOR INSPECTION. A COPY OF THE ORIGINAL AGREEMENT IS ATTACHED TO TRANSMITTAL

TOTAL AMOUNT OF THIS GRANT \$ 315,803.00

_____, PROCESSED ON OR ABOUT _____ PAYMENT # _____

Authorized Signature: John M. Lawson
Director, Governor's Office of
Title: Community and Industrial Development

DATE: November 27, 1989



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

GASTON CAPERTON
GOVERNOR

September 29, 1989

The Honorable Alfonso D. Carolla
Mayor
Town of Bradshaw
Post Office Box 469
Bradshaw, West Virginia 24817

Dear Mayor Carolla:

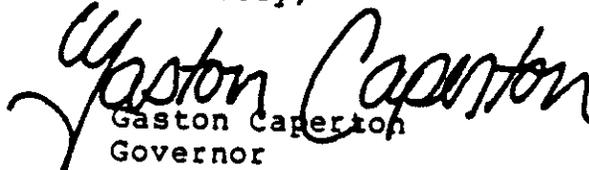
Thank you for your application to the Small Cities Block Grant program for Fiscal Year 1989.

I am pleased to approve your application in the amount of \$631,606 to the Town of Bradshaw for the construction of a sewer system to serve the Town of Bradshaw.

In order to most effectively use the limited dollars available, I hereby commit \$315,803 from our FY 1989 allocation which will be immediately available to you. The remaining \$315,803 necessary to complete this project will be evaluated and committed in the coming fiscal year. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind. My Community Development staff will contact you to complete the necessary contracts in order to proceed with your project.

It is with great pleasure that I am able to work with you to make this improvement a reality for the citizens of Bradshaw.

Sincerely,


Gaston Caperton
Governor

GC:bwm

NOV 16 1989

SMALL CITIES BLOCK GRANT
C O N T R A C T
BETWEEN
GOVERNOR'S OFFICE OF COMMUNITY AND INDUSTRIAL DEVELOPMENT
AND
THE TOWN OF BRADSHAW

THIS AGREEMENT, entered into this 29th day of September, 1989 by the West Virginia Department of Finance and Administration on behalf of the Governor's Office of Community and Industrial Development, hereinafter called the "State," and the Town of Bradshaw and its authorized officers, agents, and representatives, hereinafter called the "Grantee."

WITNESS THAT:

WHEREAS, the State has elected to administer the nonentitlement portion of the Community Development Block Grant Program as authorized by Title 1 of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, subject to the applicable regulations of the Department of Housing and Urban Development, including but not limited to 24 CFR Part 570, as amended or revised, and subject to the scope of the State of West Virginia's Grant Management Handbook and other Program Guidelines, receipt of which is hereby acknowledged by the Grantee.

WHEREAS, the Grantee has identified its housing and community development needs, including those of low- and moderate-income persons and the activities to be undertaken to meet such needs.

WHEREAS, the Grantee has prepared a written citizen's participation plan which provides opportunities for citizen participation, hearings, and access to information with respect to the proposed project statement in such a manner as to afford affected citizens an opportunity for examination and comment regarding the proposed project and on the community development performance of the Grantee.

WHEREAS, the Grantee has requested assistance from the State and has offered assurances that maximum feasible priority has been given to activities which will benefit low- and moderate-income families, or aid in the prevention or elimination of slums or blight, or to meet other community needs having a particular urgency because an existing condition poses a serious and immediate threat to the health and welfare of the community where other financial resources are not available to meet such needs.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. Assistance to Grantee. The State shall obligate to the Grantee, from funds allocated to the State by Grant Agreement B-89-DC-54-0001, \$315,803, to perform such tasks hereafter described in the Scope of Services

2. Scope of Services. The Grantee, or its designated agent, in accordance with the Grants Management Handbook and other Program Guidelines to be used in the administration of the Small Cities Block Grant, and in accordance with the approved application of the Grantee which is attached hereto and made a part hereof as Attachment A, shall do, perform, and carry out, in a satisfactory and proper manner all duties, tasks, and functions necessary to construct a sanitary sewer collection and treatment facility to serve the Town of Bradshaw to include 32,948 lineal feet of collection lines, 200 residential connections, 100 vacuum valves and pits along with a secondary treatment facility and one central vacuum collector station and influent pumps.

3. Changes. The State and the Grantee, from time to time, may require changes in the Scope of the Services of the work to be performed hereunder. Such changes, including any increase or decrease in the amount of the Grantee's compensation and work to be performed which are mutually agreed upon by and between the State and the Grantee, shall be incorporated in written amendments to this Contract. Major changes in the Scope of Services which substantially deviate from that originally approved shall require the same citizen participation process as performed for the initial submission of the grant proposal. The State reserves the right to make final determination on questions regarding changes in the Scope of Services.

4. Time of Performance. The Grantee will commence its duties under this Contract on September 29, 1989, and such duties

shall be undertaken and completed in such sequences as to assure their expeditious completion in light of the purpose of the Contract; but, in any event, all of the services required hereunder shall be completed by September 30, 1991. Completion date of this Contract may only be extended by mutual written agreement of both parties.

5. Construction Within Twelve Months. The Grantee shall have the project under construction within twelve months after execution of this Agreement by both parties. The Grantee further understands that if the project is not under construction within a twelve-month period, the State may reevaluate its obligation to provide funds for the project and may terminate this Contract "for cause" in accordance with Paragraph 9 of this Contract.

6. Administrative Requirements and Procedures.

(A) Personnel. The Grantee represents that it has or will secure personnel with the necessary qualifications and experience required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the State, consistent with the procedures identified in the Grants Management Handbook.

(B) Applicable Law. The Grantee shall comply with all the restrictions, conditions, and requirements of Title 1 of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, and with all applicable State and Federal Laws and regulations including 24 CFR Part 570, Subpart K, in administering and distributing funds provided under this Agreement including, but not limited to, the following:

(1) P.L. 88-352: Refers to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.) which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Implementing regulations are found in 24 CFR Part 1.

(2) P.L. 90-284: Refers to Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et. seq.) popularly known as the Fair Housing Act which provides for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to any person, because of race, color, religion, sex, or national origin. The Grantee further certifies that it will take all actions necessary to affirmatively further fair housing.

(3) Executive Order 11063, as amended by Executive Order 12259, requires the taking of all actions necessary and appropriate to prevent discrimination because of race, color, religion (creed), sex, or national origin, in the sale, leasing, rental, or other disposition of residential property and related facilities (including land to be developed for residential use), or in the use of occupancy thereof. Implementing regulations are contained in 24 CFR 107.

(4) Section 109 of P.L. 93-383 requires that no person in the United States shall, on the ground of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds.

Section 109 of the Act further provides that any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified handicapped person as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply.

(5) Section 110 of P.L. 93-383 requires compliance with the Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5). By reason of the foregoing requirement, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et. seq.) also applies. In addition, the West Virginia Act on Construction of Public Improvements, Article 5A, Chapter 21 of the West Virginia Code applies.

(6) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701) requiring that to the greatest extent feasible opportunities for employment and training be given to lower income persons residing within the unit of local government or metropolitan area or nonmetropolitan county in which the project is located, and that Contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial

part by, persons residing in the same area. The Grantee shall adopt a Section 3 Plan to assure good faith efforts towards compliance with the statutory directive.

(7) Executive Order 11246, as amended by Executive Order 12066 shall apply and provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts.

(8) Section 401(b) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831b) prohibits the use of lead-based paints in residential structures constructed or rehabilitated with Federal assistance.

(9) The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and action as specified and required in regulations issued by the Secretary of Housing and Urban Development pursuant to Section 104(g) of the Act and published in 24 CFR Part 58. In addition to assuming responsibility for National Environmental Policy Act (P.L. 91-190), the Grantee must take into account, where applicable, the criteria, standards, policies, and regulations of the following: (a) Historic Preservation Act of 1966; (b) Executive Order 11593; (c) The Reservoir Salvage Act of 1960; (d) Flood Disaster Protection Act of 1973; (d) Executive Order 11988, Floodplain Management; (f) Executive Order 11990, Protection of Wetlands; (g) Coastal Zone Management Act of 1972; (h) the Safe

Drinking Water Act of 1974; (i) the Endangered Species Act of 1973; (j) the Wild and Scenic Rivers Act of 1968; (k) the Clean Air Act; (l) Environmental Criteria and Standards (44 FR 40860-40866, July 12, 1979); (m) 24 CFR Part 51, Subpart B, Noise Abatement and Control; (n) Subpart C - Siting of HUD Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature; (o) and Subpart D - Siting of HUD Projects in Runway Clear Zones and Accident Potential Zones at Military Airfields. Before committing any funds (other than for exempt activities), the Grantee must certify to the State that it has complied with all requirements and obligations that are set forth by 24 CFR Part 58.

(10) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601) and HUD implementing regulations at 24 CFR Part 42 apply to the acquisition of real property for an activity assisted under this part and to the displacement of any family, individual, business, nonprofit organization or farm that results from such acquisition. The West Virginia Code, Chapter 54-3 also applies.

The Grantee must certify compliance with URA. Under Section 104(d) of the Act, each Grantee must adopt, make public and certify that it is following a residential antidisplacement and relocation assistance plan providing one-for-one replacement units and relocation assistance. The plan must also indicate the steps that will be taken to minimize the displacement of persons from their homes as a result of any activities assisted under this part.

(11) The State and the Grantee will comply with the provisions of Department of Treasury Circular 1075 and/or the State's Small Cities Grants Management Handbook, as revised, in the process of requesting and administering funds from the State's Letter of Credit.

(C) Accounting. The Grantee will establish a separate account for the proper recording of project costs in accordance with generally accepted cost accounting principles and procedures so as to reflect all receipts and allowable expenditures, including program income, in connection with the said project and the purpose thereof.

(D) Audit. Pursuant to provisions of Chapter 6, Article 9, Section 7 of the West Virginia Code, the Community Development Division has adopted the policy of accepting annual financial audits contracted or performed by the State Tax Department. The Grantee will include these funds to be audited with its yearly organization-wide audit. Audits shall be conducted in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-128, and with standards established by the Comptroller General as specified in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. Units of local government will make audit reports available for public inspection within thirty (30) days after the completion of the audit.

(E) Record Retention. Financial records, supporting documents, statistical records, and all other records pertinent

to the grant shall be retained for a period of three years, with the following qualifications:

(1) If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.

(2) Records for nonexpendable property acquired with Federal funds shall be retained for three years after its final disposition.

(3) Records for displacement shall be retained in accordance with the Grants Management Handbook.

(4) The retention period starts from the date of the submission of the final expenditure report.

(F) Access to Records. The Grantee shall, at any time during normal business hours and as often as the State or its designated representatives deem necessary, make available for examination all records, books, accounts, reports, files, and other papers, things or property of the Grantee with respect to the matters covered by this Contract. All negotiated contracts awarded by the Grantee shall include a provision that the Comptroller General or any duly authorized representative of the State or HUD shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to a specific grant program for the purpose of making audit, examination, excerpts, and transcriptions.

(G) Repayment. The Grantee shall refund to the State or Federal government any expenditures determined to be made for an ineligible purpose for which Federal funds were received.

(H) Competitive Bid Procedures. All procurement transactions, including professional services, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition consistent with procedures identified in the Grants Management Handbook or with applicable local or State law. The Grantee shall solicit sealed bids for all construction-related contracts or supplies related to their project which has an estimated value of over \$5,000. Any attempts by the Grantee to segregate the project into sections in order to circumvent competitive procurement may be cause for termination of this Agreement under the provisions of Paragraph 9.

These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions of Article Three, Chapter Fifty-Nine of the Code of West Virginia. This notice shall be published by the Grantee in the newspaper with the largest circulation serving the general area twice within fourteen days next preceding the final date of submitting bids. The Grantee shall also, where feasible, solicit sealed bids by listing the project in the F. W. Dodge Reports, sending requests by mail to prospective suppliers or contractors, sending notification to the State's Small Business Development Center Division, and by posting notice on a bulletin board in a public place. The Grantee shall have available upon request for review

by the State or its designated representative, bid documents and other evidence of compliance with these procedures. The resolution of bid and contract disputes is the responsibility of the Grantee.

(I) Bonding and Insurance. As otherwise required by law, a grant that requires the contracting or subcontracting for construction or facility improvements under \$100,000 shall provide for the Grantee to follow local or State requirements relating to bid guarantees, performance bonds, and payment bonds provided that the Grantee's and State's interest is adequately protected and that such contracts can be executed in a timely manner; otherwise, bonding requirements shall be the same as for contracts exceeding \$100,000. If the contracts or subcontracts exceed \$100,000, the minimum bonding and insurance requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. This bid guarantee shall consist of a firm commitment such as bid bond, certified check, or other negotiable instrument accompanying a bid that the bidder will, upon acceptance of the bid, execute the contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. This performance bond shall be executed by the successful contractor in connection with a contract to secure fulfillment of the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. This payment bond shall be executed in connection with a contract to assure payment as required by law of all persons supplying labor or materials in the execution of the work provided for in the Contract.

(J) Facilities Operation. The Grantee shall operate and maintain all facilities to which the general public has right of access constructed under the auspices of this Contract in accordance with minimum standards as may be required or prescribed by the applicable Federal, State and local statute, law, ordinance, or regulation as to actual construction procedures. The Grantee shall be responsible for maintenance and operation of such facilities upon completion. The Grantee may not change the use or planned use of any such facility (including the beneficiaries of such use) from that purpose initially approved unless the Grantee provides affected citizens with reasonable notice thereof and opportunity to comment on any proposed change and: (1) the new use of such facility or property qualifies under the national objective in 24 CFR 570.901 and is not a building for the general conduct of government and (2) property is disposed of pursuant to 24 CFR 570.505.

(K) Conflict of Interest. No officer, agent, member, employee, elected or appointed official of the State, the Grantee, or any public agency or subrecipient receiving Community Development Block Grant funds who exercises or has exercised any function or responsibilities with respect to activities assisted with Community Development Block Grant funds or who are in a

position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from such activity or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter. The conflict of interest provision of 24 CFR 85.36; 24 CFR 670.611; and OMB Circular A-110 also apply as appropriate.

7. Recovery of Capital Costs. The Grantee will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds from this program by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (a) funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from other revenue sources; or (b) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the Grantee certifies to the State of West Virginia that it lacks sufficient funds received under the program to comply with the requirements of clause (a).

8. Method of Payment. In order to receive any and all payments under the terms of this Agreement, the Grantee shall submit the following: (a) a Letter of Transmittal containing a

progress report, and (b) a Request for Payment Financial Report. Upon receipt of said documents, the State shall review the same for reasonableness, appropriateness and eligibility and, if approved, will cause a warrant to be made on that sum to the Grantee for authorized expenditures from the State's Letter of Credit with the Department of Housing and Urban Development.

9. Termination of Contract for Cause. If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner its obligations under this Contract or if the Grantee shall violate any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this Contract by giving written notice to the Grantee of such termination and specifying the effective date thereof, at least fifteen days before the effective date of such termination. The Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on the described project.

Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by the State by virtue of any breach of the Contract by the Grantee, and the State may withhold any payments to the Grantee for the purpose of set-off until such time as the exact amount of damages due the State from the Grantee is determined.

10. Termination for Convenience of the State. The State may terminate this Contract at any time by giving written notice to the Grantee of such termination and specifying the effective date of termination. If the Contract is terminated by the State

as provided herein, the Grantee will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this Contract, less payments of compensation previously made.

11. Termination by the Grantee. The Grantee may unilaterally rescind this Agreement at any time prior to the commencement of the project. After project commencement, this Agreement may be rescinded, modified, or amended only by mutual agreement. A project shall be deemed commenced when the State makes any expenditure or incurs any obligation with respect to the project.

12. Reporting. A Final Performance Report shall be submitted to the State within sixty (60) days after the final request for payment for project costs, excluding audit. Said Performance Report shall be made on the forms provided by the State and meet the requirements of said report as set forth in the Grants Management Handbook and/or the appropriate Technical Assistance Guides of the State of West Virginia. Other reports may be requested by the State during the grant period as the State deems necessary and directs.

13. Final Closeout. Final Closeout shall be completed when the State: a) is in receipt of a Final Performance Report; b) has determined that all monitoring findings have been formally addressed and are resolved; and c) has received a completed, final project audit and has determined that any findings have been resolved.

14. Resolution of Disputes. Resolution of disputes between the State and the Grantee concerning administrative and programmatic matters during the terms of this Agreement shall be initiated through consultation and discussion at the State's Administrative Offices with final decision on questions of policy or fact being determined by the Director of Governor's Office of Community and Industrial Development or his designated representative. Nothing in this Agreement shall be construed as making the final decision on a question of law, or to limit in any manner any remedies or recourses available under applicable laws. Citizen's complaints or disputes regarding Grantee performance or actions relative to the approved project are the responsibility of the Grantee.

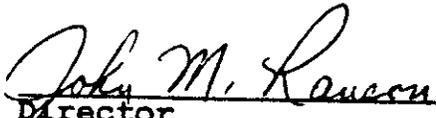
15. Notice. The parties hereto agree that notice shall be served when mailed certified U.S. Mail to the following addresses:

Governor's Office of Community
and Industrial Development
Building 6, Room 553-B
State Capitol Complex
Charleston, West Virginia 25305

Town of Bradshaw
Post Office Box 469
Bradshaw, West Virginia 24817

[WITNESSETH] that the parties hereto have entered their signatures hereafter with each representing to the other that the execution of this Agreement is done with full authority and that attached hereto and made a part hereof as Attachment B, is a certified copy of the resolution, motion, or similar action of the governing body of the Grantee directing and authorizing its official representative to act in connection with this Agreement.

STATE OF WEST VIRGINIA
GOVERNOR'S OFFICE OF COMMUNITY
AND INDUSTRIAL DEVELOPMENT



Director



Fred Cutlip, Director
Community Development Division

TOWN OF BRADSHAW



By: Alfonso D. Carolla 11/14/89





STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

GASTON CAPERTON
GOVERNOR

August 4, 1992

James Hull

RECEIVED
AUG 10 1992
REGION I PLANNING AND
DEVELOPMENT COUNCIL

The Honorable Burl Laxton
Mayor
Town of Bradshaw
Box 450
Bradshaw, West Virginia 24817

Dear Mayor Laxton:

I am aware that the Bradshaw sewer project is in jeopardy because of the lack of additional grant dollars necessary to make the project affordable to the users of the system.

I am approving \$80,000 from the proceeds of the recycling fee that was imposed on solid waste disposed of in commercial solid waste facilities in West Virginia. Of this fee, 25 cents per ton is provided to the West Virginia Development Office for the design and construction of wastewater treatment facilities. Hopefully, these additional grant funds will enable the Bradshaw wastewater treatment project to go to construction.

The West Virginia Development Office will contact you to complete the necessary procedures to secure these funds for this project. It is with pleasure that I am able to work with you to assist with these improvements.

Sincerely,

Gaston Caperton

Gaston Caperton
Governor

GC:11b

WASTEWATER TREATMENT FACILITIES PROGRAM
C O N T R A C T
Between the
WEST VIRGINIA DEVELOPMENT OFFICE
and the
TOWN OF BRADSHAW

THIS AGREEMENT, entered into this 4th day of August, 1992, by the West Virginia Department of Finance and Administration on behalf of the West Virginia Development Office hereinafter called the "WVDEVO," and the Town of Bradshaw and its authorized officers, agents, and representatives, hereinafter called the "Grantee."

WITNESS THAT:

WHEREAS, the WVDEVO has established a special account for the receipt of the 25 cent per ton recycling fee authorized by State Legislation, the proceeds of which are dedicated for the design and construction of wastewater treatment facilities.

WHEREAS, the WVDEVO has promised and agreed to assist the Grantee to perform such tasks hereafter described in the scope of services, which is to be partially financed by funds made available through the Wastewater Treatment Facilities Program.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. Assistance of the Grantee. The WVDEVO hereby agrees to assist the Grantee including all authorized officers, agents, and representatives, to perform such tasks and functions as set forth below in the scope of services.

2. Scope of Services. The Grantee, or its designated agent, shall do, perform and carry out, in a satisfactory and proper manner as determined by the WVDEVO, all duties, tasks, and functions necessary to assist in the construction of a solid waste facility in Bradshaw.

3. Personnel. The Grantee represents that it has, or will secure at its own expense, personnel with the necessary qualifications and experience required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with WVDEVO.

4. Time of Performance. The Grantee will commence its duties under this Contract on August 4, 1992, and such duties shall be undertaken and completed in such sequences as to assure their expeditious completion in the light of the purpose of the Contract; but, in any event, all of the services required hereunder shall be completed by June 30, 1993. Completion date of this Contract may only be extended by mutual written agreement of both parties.

5. Compensation. In consideration of the services rendered by the Grantee, the WVDEVO agrees to pay the Grantee the sum of \$80,000. This amount has been collected from a recycling fee of \$0.25 per ton on solid waste disposed of in a commercial solid waste facility in West Virginia, and is dependent on collections. In no instance shall the agreed upon compensation exceed \$80,000 without the written consent of the Governor of the State of West Virginia.

*6. Method of Payment. In order to receive payments under the terms of this Agreement, the Grantee shall submit the following: (a) a Letter of Transmittal containing a progress report, and (b) a Financial Report--Request for Payment form.

7. Termination of Contract for Cause. If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner his obligations under this Contract, or if the Grantee shall violate any of the covenants, agreements, or stipulations of this Contract, the WVDEVO shall thereupon have the right to terminate this Contract by giving written notice to the Grantee of such termination and specifying the effective date thereof, at least fifteen days before the effective date of such termination. The Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on the described project.

Notwithstanding the above, the Grantee shall not be relieved of liability to the WVDEVO for damages sustained by the WVDEVO by virtue of any breach of the Contract by the Grantee, and the WVDEVO may withhold any payments to the Grantee for the purpose of set-off until such time as the exact amount of damages due the WVDEVO from the Grantee is determined.

8. Termination for Convenience of WVDEVO. The WVDEVO may terminate this Contract at any time by giving written notice to the Grantee of such termination and specifying the effective date of termination. If the Contract is terminated by the WVDEVO as provided herein, the Grantee will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this Contract, less payments of compensation previously made.

9. Termination by the Grantee. The Grantee may unilaterally rescind this agreement at any time prior to the commencement of the project. After project commencement, this agreement may be rescinded, modified, or amended only by mutual agreement. A project

shall be deemed commenced when the WVDEVO makes any expenditure or incurs any obligation with respect to the project.

10. Changes. The WVDEVO and the Grantee may, from time to time, require changes in the scope of the services of the work to be performed hereunder. Such changes, including any increase or decrease in the amount of the Grantee's compensation and work to be performed, which are mutually agreed upon by and between the WVDEVO and the Grantee, shall be incorporated in written amendments to this Contract.

11. Equal Employment Opportunity. With respect to employment in carrying out the program objectives, the Grantee agrees:

a. That it will not discriminate against any employee or applicant for employment because of race, color, age, religion, sex, national origin, or physical handicap;

b. That it shall take affirmative action to ensure that all contractors employed during this project treat all their employees without regard to race, color, age, religion, sex, national origin, or physical handicap; and that such affirmative action shall include, but not be limited to the following: employment, upgrading, demotions, transfers, recruitment, compensation, selection for training (including apprenticeship), and participation in recreational and educational activities; in all solicitations or advertisements for employees placed by or on behalf of the Grantee, shall state that all qualified applicants will receive consideration for employment without regard to race, color, age, religion, sex, national origin, or physical handicap; shall cause the provisions of this nondiscrimination clause to be inserted in all subcontracts for any work covered by this notice of grant award so that such

provisions will be binding upon each subcontractor; and shall keep such records and submit such reports concerning the racial and ethnic origin of employees and applicants for employment as the WVDEVO may require, and

12. Project Wage Rates. No contract involving construction, reconstruction, demolition, improvement, enlargement, painting, decoration, alteration, and/or repair work which involves the employment of an "outside" contractor and/or subcontractors shall be awarded through funds provided under this agreement which does not comply with the West Virginia Act on Wages on Construction of Public Improvements (Article 5A, Chapter 21 of the West Virginia Code). Such provisions shall include the payment of the Fair Minimum Wage Rates as determined by the West Virginia Commissioner of Labor for each craft or classification of all workmen needed to perform the contract in the locality in which the public work is performed. For projects involving federal funds which are covered by the provisions of the Davis Bacon Act (40 U.S.C. 276-a 276a-5), the Grantee shall cause the contractor and/or subcontractors to pay the higher wage rate, federal or state.

Further, the Grantee shall cause these wage rates as determined to be printed on all bidding blanks, and attention should be specifically noted to these facts within the body of the advertisement for bids. The Grantee shall also have available upon request for review by the WVDEVO or its designated representative, bid documents and other evidence of compliance including copies of contractor's payrolls.

13. Competitive Bid Procedures. The Grantee shall procure architectural or engineering services in accordance with Chapter 5G

of the West Virginia Code. The Grantee shall solicit sealed bids for all construction-related contracts or supplies related to this project which have an estimated value of over five thousand dollars (\$5,000). Any attempts by the Grantee to segregate the project into sections having an estimated value of less than \$5,000 may be cause for termination of an agreement under the provisions of Paragraph 7.

These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions of Article Three, Chapter Fifty-Nine, of the Code of West Virginia. This notice shall be published by the Grantee in the newspaper with the largest circulation serving the general area twice within fourteen days next preceding the final date of submitting bids. The Grantee shall also, where feasible, solicit sealed bids by listing the project in the F. W. Dodge Reports, sending requests by mail to prospective suppliers or contractors, and by posting notice on a bulletin board in a public place. The Grantee shall have available upon request for review by the WVDEVO or its designated representative, bid documents and other evidence of compliance with these procedures.

14. Bonding and Insurance. Except as otherwise required by law, a grant that requires the contracting or subcontracting for construction of facility improvements shall provide for the Grantee to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the contract or subcontract exceeds \$100,000. If the contracts or subcontracts exceed \$100,000, the minimum bonding and insurance requirements shall be as follows:

a. A bid guarantee from each bidder equivalent to five percent of the bid price. This bid guarantee shall consist of a firm

commitment such as bid bond, certified check, or other negotiable instrument accompanying a bid that the bidder will, upon acceptance of the bid, execute the contractual documents as may be required within the time specified.

b. A performance bond on the part of the contractor for 100 percent of the contract price. This performance bond shall be executed by the successful contractor in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

c. A payment bond on the part of the contractor for 100 percent of the contract price. This payment bond shall be executed in connection with a contract to assure payment as required by law of all persons supplying labor or materials in the execution of the work provided for in the contract.

15. Facilities Accessible to the Handicapped. The Grantee shall require any facilities constructed under the auspices of this Contract to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A11/.1-1961, as modified (41CFR101-17.1703 and (13CFR309.14)). The Grantee shall be responsible for conducting inspections to ensure compliance with these specifications.

16. Facilities Operation. The Grantee shall operate and maintain all facilities constructed under the auspices of this Contract in accordance with minimum standards as may be required or prescribed by the applicable federal, state and local statute, law, ordinance or regulation as to actual construction procedures, as well as maintenance and operation of such facilities upon completion.

17. Interest of Members of WVDEVO and Others. No officer, member or employee of the WVDEVO or officer, member or employee of the Grantee who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of this project, shall participate in any decision relating to this Contract which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested or has any personal or pecuniary interest, nor shall any officer, member of, or employee of, the Grantee or any member of its governing body, or officer, member, or employee of the contractor have any interest, direct or indirect, in this Contract or the proceeds thereof.

18. Officials Not To Benefit. No member of the Legislature of the State of West Virginia, or individual performing a service for the Grantee in connection with this project, shall be admitted to any share thereof or to any benefit to arise from this Agreement.

19. Inspections of Project Records. At any time during normal business hours and as often as the WVDEVO or its designated representative may deem necessary, there shall be made available to the WVDEVO or its designated representative for examination, all of its records with respect to all matters covered by this Contract and permit the WVDEVO or its designated representative to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records and personnel, conditions of employment and other data relating to all matters covered by this Contract during the entire time period beginning with project approval and ending three years after the final disbursement of grant funds.

20. Project Audits. (a) The Grantee shall cause an audit of this program to be included in the audit of the Grantee performed by the State Tax Department or its designated representative in accordance with Chapter 6, Article 9, Section 7 of the State Code. The audit shall be performed in conformance with generally acceptable accounting procedures.

(b) In accordance with Chapter 12, Article 4, Section 14 of the West Virginia State Code, if the grantee is not audited by the State Tax Department and the grantee received state funds or grants in the amount of fifteen thousand dollars or more, the grantee shall file an audit of the disbursement of funds with the legislative auditor's office. The audit shall be filed within two years of the disbursement of funds or grants by the grantee and shall be made by an independent certified public accountant at the cost of the corporation, association or other organization, and must show that the funds or grants were spent for the purposes intended when the grant was made. State funds or audits of state funds or grants under fifteen thousand dollars may be authorized by the joint committee on government and finance to be conducted by the legislative auditor's office at no cost to the grantee.

21. Reporting. The Grantee shall submit any reports requested by the WVDEVO concerning financial status and program progress. Failure to provide such reports as required by WVDEVO in a timely manner shall be cause for termination of this Contract under the terms of Paragraph 7.

22. Fiscal Management. The Grantee shall be responsible for establishing and maintaining adequate procedures and internal

financial controls governing the management and utilization of funds provided under this Contract.

23. Signing. This Contract shall be signed by the Director of the West Virginia Development Office and by the Mayor of the Town of Bradshaw upon authorization of the Town Council by adoption and passage of a resolution, motion or similar official action.

IN WITNESS WHEREOF, the WVDEVO and the Grantee have executed this Agreement as of the date first above written.

STATE OF WEST VIRGINIA
WEST VIRGINIA DEVELOPMENT OFFICE

Ann M. Johnson, Director

Fred Cutlip, Director
Community Development Division

TOWN OF BRADSHAW

By: William B. Lupton
Mayor

Federal Employee Identification Number

RESOLUTION

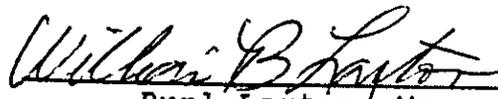
WHEREAS, The Town of Bradshaw wishes to accept the \$80,000 grant awarded from newly imposed recycling fee, and

WHEREAS, The Town of Bradshaw must give assurances that Grant Program Regulations related to grant administration, and other applicable State and Federal laws will be followed, and

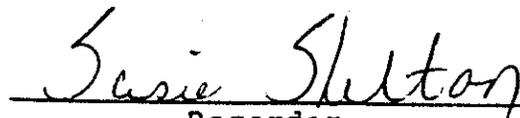
NOW, THEREFORE, BE IT RESOLVED THAT;

1. The Town of Bradshaw accepts the terms and conditions of the grant award and that Burl Laxton as Mayor is designated as the authorized official to act in connection with the award.

2. The Town of Bradshaw will comply with all laws and regulations pertaining to the program.


Burl Laxton, Mayor

I, Susie Shelton, certify that the above is a true copy of a resolution adopted the 4th day of Sept., 1992, at a meeting of the Bradshaw Town Council. I further certify that a quorum of the Council was present and a majority of its members voted affirmatively for this resolution.


Recorder

TOWN OF BRADSHAW

Sewer Revenue Bonds,
Series 1993 A and Series 1993 B

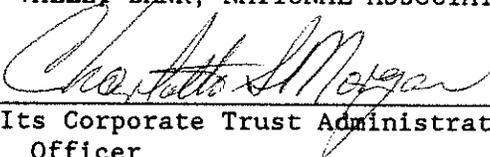
ACCEPTANCE OF DUTIES OF REGISTRAR

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 Town of Bradshaw Sewer Revenue Bonds, Series 1993 A and Series 1993 B, all dated March 31, 1993, in the aggregate principal amount of \$254,000 (collectively "the Bonds") 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 31st day of March, 1993.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By


Its Corporate Trust Administrative
Officer

03/24/93
BRADC.W2
09966/90001



TOWN OF BRADSHAW

Sewer Revenue Bonds,
Series 1993 A and Series 1993 B

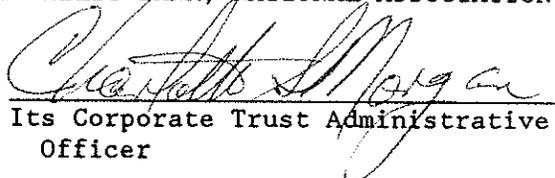
ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking corporation, with its principal office in Charleston, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond and Notes Ordinance of the Town of Bradshaw (the "Issuer"), enacted by the Council of the Issuer on February 23, 1993, authorizing issuance of the Town's Sewer Revenue Bonds, Series 1993 A and Series 1993 B, all dated March 31, 1993, in the aggregate principal amount of \$254,000 (collectively, the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Bond and Notes Ordinance.

Dated this 31st day of March, 1993.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By


Its Corporate Trust Administrative
Officer

03/29/93
BRADC.X3
09966/90001



TOWN OF BRADSHAW

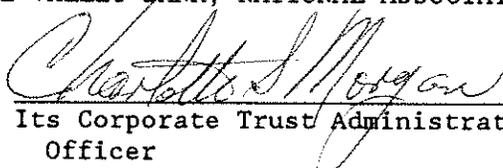
Sewer Revenue Bonds,
Series 1993 A and Series 1993 B

CERTIFICATE OF REGISTRATION OF BONDS

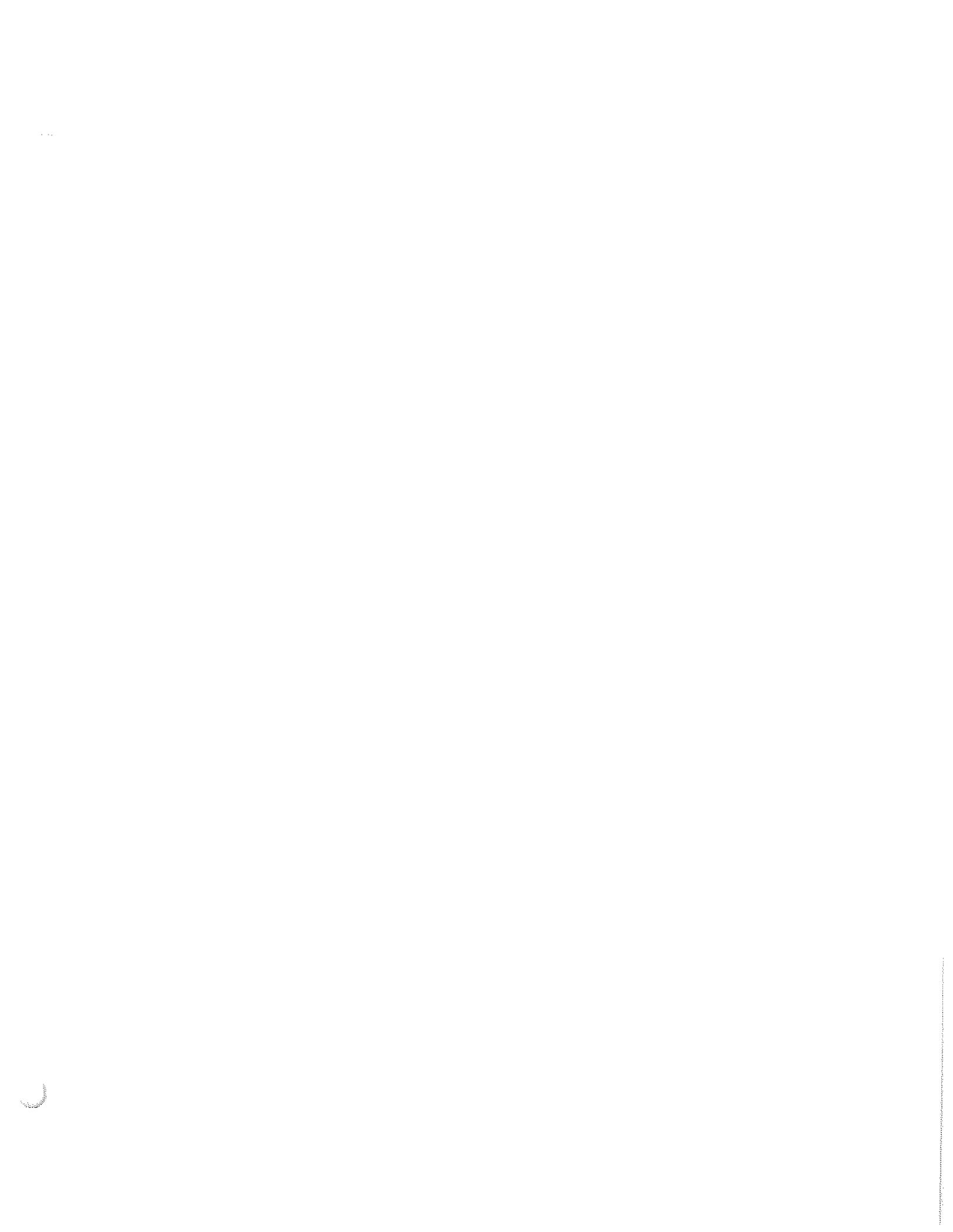
I, CHARLOTTE S. MORGAN, Corporate Trust Administrative Officer of One Valley Bank, National Association, as Registrar under the Local Act and Registrar's Agreement providing for the \$254,000 aggregate principal amount of Sewer Revenue Bonds, Series 1993 A and Series 1993 B, of the Town of Bradshaw (the "Issuer"), hereby certify that on the 31st day of March, 1993, the single fully registered Series 1993 A Bond of the Issuer in the principal amount of \$245,806 designated "Sewer Revenue Bond, Series 1993 A," numbered AR-1, and the single fully registered Series 1993 B Bond of the Issuer in the principal amount of \$8,194 designated "Sewer Revenue Bond, Series 1993 B," numbered BR-1, were registered as to principal and interest (the Series 1993 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 the One Valley Bank, National Association, as Registrar.

WITNESS my signature as of this 31st day of March, 1993.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By 
Its Corporate Trust Administrative
Officer

03/24/93
BRADC.Y2
09966/90001



REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 31st day of March, 1993, by and between the TOWN OF BRADSHAW, a municipal 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 \$254,000 aggregate principal amount of Sewer Revenue Bonds, Series 1993 A and Series 1993 B, in fully registered form (collectively, the "Bonds"), pursuant to a Bond and Notes Ordinance enacted by the Council of the Issuer February 23, 1993, and a Supplemental Resolution adopted March 29, 1993 (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 exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as

the Issuer advises it of and with generally accepted industry standards.

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

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, 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: Town of Bradshaw
P. O. Box 469
Bradshaw, West Virginia 24817
Attention: Mayor

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, the TOWN OF BRADSHAW 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.

TOWN OF BRADSHAW

By William B. Lorton
Its Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte S. Morgan
Its Corporate Trust Administrative
Officer

03/24/93
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EXHIBIT A

[Included in transcript as Document No. 1]

"SCHEDULE OF COMPENSATION FOR SERVICES"

▼
One Valley Bank
One Valley Square, P.O. Box 1793
Charleston, WV 25326
(304) 348-7000

ONE VALLEY
BANK

March 31, 1993

Town of Bradshaw, West Virginia
Attn: Mayor

RE: Town of Bradshaw, West Virginia Sewer Revenue Bonds
1993 Series A and Series B

Dear Sir:

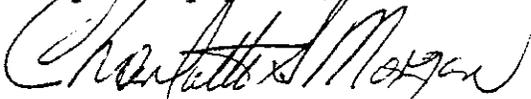
I would like to take this opportunity to express our appreciation for the opportunity to offer our services as Depository Bank for the bond construction funds on the above referenced bond issue. Our fees for providing these services are as follows:

\$100 monthly base fee, plus;
\$30 per trade on investment; and
\$10 per check issued

These fees will be charged on a monthly basis to the account, unless directed otherwise.

Please sign and return the enclosed copy of this letter as approval of these fees.

Very truly yours,



Charlotte S. Morgan
Corporate Trust Administrative Officer
ONE FINANCIAL PLACE

CSM/sb

Enclosure

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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 1993 A, of the Town of Bradshaw in the principal amount of \$245,806, numbered AR-1, standing in the name of West Virginia Water Development Authority on the books of said Issuer.

Dated: March 31, 1993.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By

Daniel B. Yanovsky
Authorized Representative

03/24/93
BRADC.AA2
09966/90001

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DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

1201 Greenbrier Street
Charleston, WV 25311-1088

Gaston Caperton
Governor
John M. Ranson
Cabinet Secretary

David C. Callaghan
Director
Ann A. Spaner
Deputy Director

July 27, 1992

Honorable William B. Laxton
Mayor, Town of Bradshaw
P. O. Box 469
Bradshaw, WV 24817

CERTIFIED RETURN RECEIPT REQUESTED

Dear Mayor Laxton:

Enclosed find WV/NPDES Water Pollution Control Permit No. WV0086240, dated the 27th day of July 1992, for the Town of Bradshaw, West Virginia.

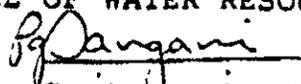
All facilities permitted to discharge pollutants to the waters of the State under Chapter 20, Article 5A of the West Virginia Code are required to test their effluent in order to verify permit compliance. This testing is the responsibility of the permittee and these test results are to be submitted to the office on the Discharge Monitoring Report (DMR) which is attached to the back of this permit. A (DMR) is to be completed and received by this office each month no later than 20 days following the end of the reporting period. The address to which DMRs are to be sent is noted in Section D.2, Attention: Municipal Branch. It is suggested that several copies of the enclosed DMR form be made for your future use, as this office does not supply permittees with DMR forms. Please also note that the attachment to this permit which describes the annual permit fee requirement.

Please note requirement no. 7 on page 8 prohibiting the acceptance of new non-domestic wastewater discharges without prior Division approval.

If you have any questions, please contact John Morgan of this office at 558-4086.

Very truly yours,

OFFICE OF WATER RESOURCES


Pravin G. Sangani, P. E.
Municipal Branch Leader

FGS:mll

Enclosure

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WRD 1A-82
Revised 7-91

STATE OF WEST VIRGINIA
DIVISION OF NATURAL RESOURCES
WATER RESOURCES SECTION
1201 Greenbrier Street
Charleston, West Virginia 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

WATER POLLUTION CONTROL PERMIT

Permit No. WV0086240

Issue Date: July 27, 1992

Subject: Sewage Facilities

Effective Date: August 27, 1992

Expiration Date: July 26, 1997

Supersedes: N/A

Location:	Bradshaw (City)	McDowell (County)	Tug Fork/Big Sandy (Drainage Basin)
Outlet	Latitude: 37 ° 20 '	37 " N	
Sites:	Longitude: 81 ° 47 '	55 " W	

To whom it may concern:

This is to certify that

Town of Bradshaw, P. O. Box 469,
Bradshaw, WV 24817

is hereby granted a NPDES Water Pollution Control Permit to acquire, construct, install, operate, and maintain a wastewater collection system and a 0.05 MGD extended aeration wastewater treatment plant which are further described as follows.

The wastewater collection system will be comprised of approximately 1,117 linear feet of three(3) inch diameter, 2,495 linear feet of four(4) inch diameter, and 6,457 linear feet of six(6) inch diameter vacuum sewer lines, 70 vacuum valve installations, a vacuum station, 1,490 linear feet of four(4) inch diameter force main, 2,098 linear feet of one and one-fourth (1 1/4) inch diameter, 2,822 linear feet of one and one-half (1 1/2) inch diameter, 2,065 linear feet of two(2) inch diameter, 2,665 linear feet of two and one-half (2 1/2) inch diameter and 710 linear feet of three(3) inch diameter force mains, 35 grinder pump installations, 3,041 linear feet of six(6) inch diameter and 1,610 linear feet of eight(8) inch diameter gravity sewer lines, 10 manholes, 33 cleanouts, a lift station and all requisite appurtenances.

The wastewater treatment plant is to be comprised of a bar screen, an aeration chamber configuration with a total volume of 59,092 gallons, a clarifier configuration with a total volume of 16,473 gallons, and a total surface area of 183.5 square feet, chlorination facilities, a chlorine contact chamber with a volume of 1,397 gallons, two(2) aerated sludge holding tanks with a volume of 5,250 gallons each, eight(8) covered sludge drying beds with a total surface area of 3,528 square feet and all requisite appurtenances.

The facilities are to serve a population equivalent of approximately 700 persons in the Town of Bradshaw and discharge treated wastewater to Dry Fork, approximately 11.6 miles from its mouth, of Tug Fork of the Big Sandy River.

The permit is subject to the following terms and conditions:

The information submitted on and with Permit Application No. WV0086240, dated the 26th day of December 1990, is all hereby made terms and conditions of this Permit with like effect as if all such permit application information was set forth herein, and with other conditions set forth in Sections A, B, C, D, E, F, and G.

WASTEWATER COLLECTION AND TREATMENT FACILITIES TO BE CONSTRUCTED IN ACCORDANCE WITH:

Plans and Specifications:

Date Approved: April 8, 1992

Prepared By: Draper Aden Associates; 2206 South Main Street; Blacksburg, Virginia 24064.

Title: Town of Bradshaw; Wastewater Collection and Treatment Facilities; McDowell County, West Virginia; EPA Project No. C-540700.

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning August 27, 1992 and lasting through midnight, July 26, 1997, the permittee is authorized to discharge from outlet number(s) 001-Discharge from sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>		<u>Monitoring Requirements</u>	
	<u>(Quantity) lbs/day</u>	<u>Other Units (Specify)</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
	<u>Avg. Monthly</u>	<u>Max. Daily</u>	<u>Avg. Monthly</u>	<u>Max. Daily</u>
Flow			0.05 MGD	
biochemical Oxygen Demand (5-Day)	12.5	25.0	30.0 mg/l	60.0 mg/l
Total Suspended Solids	12.5	25.0	30.0 mg/l	60.0 mg/l
Total Kjeldahl Nitrogen (TKN)	7.5	15.0	18.0 mg/l	36.0 mg/l
Fecal Coliform			200 cts/100 ml	400 cts/100 ml

The pH shall not be less than 6.0 standard units and not greater than 9.0 standard units and shall be monitored monthly by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): effluent BOD₅ samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series 1, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

1. Duty to Comply

- (a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action, for permit modification, revocation and reissuance, suspension or revocation, or for denial of a permit renewal application.
- (b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

2. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 100 days prior to expiration of the permit.

3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.

4. Permit Actions

This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

5. Property Rights

This permit does not convey any property rights of any sort or any exclusive privilege.

6. Signatory Requirements

All applications, reports, or information submitted to the Chief shall be signed and certified as required in Series II, Section 4.8 of the West Virginia Legislative Rules of the State Water Resources Board.

7. Transfers

This permit is not transferable to any person, except after notice to the Chief. The Chief may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.

8. Duty to Provide Information

The permittee shall furnish to the Chief, within a reasonable specified time, any information which the Chief may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Chief, upon request, copies of records required to be kept by this permit.

9. Other Information

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Chief, it shall promptly submit such facts or information.

10. Inspection and Entry

The permittee shall allow the Chief, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

- a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;
- b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;
- c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
- d) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any locations.

11. Permit Modification

This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 20-5A-8 of the Code of West Virginia.

12. Water Quality

The effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water quality standards adopted by the State Water Resources Board.

13. Outlet Markers

A permanent marker at the establishment shall be posted in accordance with Series III, Section 9 of the West Virginia Legislative Rules promulgated pursuant to Chapter 20, Article 5A.

14. Liabilities

- a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318 or 405 of the Clean Water Act is subject to a civil penalty not to exceed \$10,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, or 308 of the Clean Water Act is subject to a fine of not less than \$2,500 nor more than \$25,000 per day of violation, or by imprisonment for not more than 1 year, or both.
- b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
- c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
- d) Nothing in C. 14. a), b) and c) shall be construed to limit or prohibit any other authority the Chief may have under the State Water Pollution Control Act, Chapter 20, Article 5A.

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of the permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by State Health Department Regulations authorized under Chapter 16, Article I, Public Health Laws, Code of West Virginia, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Chief may require a more highly skilled operator.

2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. Bypass**a) Definitions**

- (1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility, and
- (2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of D.3 c) and D.3. d) of this permit.

c) (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass.

(2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in F.2. b) of this permit.

d) Prohibition of bypass

(1) Bypass is permitted only under the following conditions, and the Chief may take enforcement action against a permittee for bypass, unless:

(A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage.

(B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgement to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and

(C) The permittee submitted notices as required under D.3. c) of this permit.

(2) The Chief may approve an anticipated bypass, after considering its adverse effects, if the Chief determines that it will meet the three conditions listed in D.3. d) (1) of this permit.

4. Upset

a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of D.4 c) are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate through properly signed, contemporaneous operating logs, or other relevant evidence that:

(1) An upset occurred and that the permittee can identify the cause(s) of the upset;

(2) The permitted facility was at the time being properly operated;

(3) The permittee submitted notice of the upset as required in F.2. b) of this permit.

(4) The permittee complied with any remedial measures required under C.3. of this permit.

d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5) Removed Substances

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Chief, any solids, sludges, filter backwash or other pollutants (removed in the course of treatment or control of wastewaters) and which are intended for disposal within the State, shall be disposed of only in a manner and at a site subject to the approval by the Chief. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Chief in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

1. Representative Sampling

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

- a) Permittee shall submit each month, ~~XXXXXX~~ according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s).
- b) The required DMR's should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief
Water Resources Section
1201 Greenbrier Street
Charleston, WV 25311
Attention: Municipal Branch

- c) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.
- d) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E." (i.e., number exceeding).
- e) Specify frequency of analysis for each parameter as no. analyses/specified period (e.g. "3/month" is equivalent to 3 analyses performed every calendar month). If continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with 40 CFR Part 136, as in effect July 1, 1985 unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information.

- The date, exact place, and time of sampling or measurement;
- The date(s) analyses were performed;
- The individual(s) who performed the sampling or measurement;
- The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;
- The analytical techniques or methods used, and
- The results of such analyses.

Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in E.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated.

Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recording for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three (3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Chief at any time.

7. Definitions

- "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.
- "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.
- "Maximum daily discharge limitation" means the highest allowable daily discharge.
- "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval (for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.
- "Grab Sample" is an individual sample collected in less than 15 minutes.
- "T-5" = immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.
- The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.
- The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two (2) consecutive hours during a 24-hour day, or during the operating day if flows are of shorter duration.
- The "daily average fecal coliform" bacteria is the geometric average of all samples collected during the month.
- "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.
- "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.
- "Non-contact cooling water" means the water that is contained in a leak-free system, i.e. no contact with any gas, liquid, or solid other than the container for transport, the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

F. OTHER REPORTING

1. Reporting Spills and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to Series III, Section 2 of the West Virginia Legislative Rules promulgated pursuant to Chapter 20, Article 5A

Attached is a copy of the West Virginia Spill Alert System for use in complying with Series III, Section 2 of the rules as they pertain to the reporting of spills and accidental discharges.

2. Immediate Reporting

- a) The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Section's designated spill alert telephone number. A written submission shall be provided within five (5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.
- b) The following shall also be reported immediately
 - (1) Any unanticipated bypass which exceeds any effluent limitation in the permit;
 - (2) Any upset which exceeds any effluent limitation in the permit; and
 - (3) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Chief in the permit to be reported immediately. This list shall include any toxic pollutant or hazardous substance, or any pollutant specifically identified as the method to control a toxic pollutant or hazardous substance.
- c) The Chief may waive the written report on a case-by-case basis if the oral report has been received in accordance with the above.
- d) Compliance with the requirements of F.2. of this section, shall not relieve a person of compliance with Series III, Section 2 of the Board's rules.

3. Reporting Requirements

- a) Planned changes. The permittee shall give notice to the Chief of any planned physical alterations or additions to the permitted facility which may affect the nature or quantity of the discharge. Notice is required when:
 - (1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in Section 13.7 b of Series II of the Board's rules; or
 - (2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under F.2. of this section.
- b) Anticipated noncompliance. The permittee shall give advance notice to the Chief of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.
- c) In addition to the above reporting requirements, all existing manufacturing, commercial, and silvicultural discharges must notify the Chief in writing as soon as they know or have reason to believe:
 - (1) That any activity has occurred or will occur which would result in the discharge, on a routine or frequent basis, of any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (A) One hundred micrograms per liter (100 ug/l);
 - (B) Two hundred micrograms per liter (200 ug/l) for acrolein and acrylonitrile, five hundred micrograms per liter (500 ug/l) for 2, 4 dinitro phenol, and for 2-methyl 4, 6-dinitrophenol, and one milligram per liter (1 mg/l) for antimony;
 - (C) Five (5) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4 b.7 or 4.4 b.9 of Series II of the Board's rules;
 - (D) The level established by the Chief in accordance with Section 6.3.g. of Series II of the Board's rules;
 - (2) That any activity has occurred or will occur which would result in any discharge (on a non-routine or infrequent basis) of a toxic which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (A) Five hundred micrograms per liter (500 ug/l);
 - (B) One milligram per liter (1 mg/l) for antimony;
 - (C) Ten (10) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4 b.7, of Series II of the Board's rules;
 - (D) The level established by the Chief in accordance with Section 6.3.g. of Series II of the Board's rules.
 - (3) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4 b.9 of Series II of the Board's rules and which will result in the discharge on a routine or frequent basis of that toxic pollutant at levels which exceed five times the detection limit for that pollutant under approved analytical procedure.
 - (4) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4 b.9 of Series II of the Board's rules and which will result in the discharge on a non-routine or infrequent basis of that toxic pollutant at levels which exceed ten times the detection limit for that pollutant under approved analytical procedure.

4. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under the above paragraphs at the time monitoring reports are submitted. The reports shall contain the information listed in F.2. a)

G. OTHER REQUIREMENTS

1. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level and operability be maintained during the twenty-five (25) year flood level.
2. The entire sewage treatment facility shall be adequately protected by fencing.
3. Continuous maintenance and operation of the listed sewage treatment facility shall be performed by or supervised by a certified operator possessing at least a class 1-S certificate for Waste Water Treatment Plant Operators, issued by the State of West Virginia.
4. An instantaneous flow from the sewage disposal system shall not exceed the peak design flow at any given time.
5. The arithmetic mean of values for effluent samples collected in a period of seven (7) consecutive days shall not exceed 45.0 mg/l for BOD5 and TSS and 27.0 mg/l for TKN.
6. The arithmetic mean of the effluent values of the BOD5 and TSS discharged during a period of 30 consecutive days shall not exceed 15 percent of the respective arithmetic mean of the influent values for these parameters during the same time period except as specifically authorized by the permitting authority.
7. The permittee shall not accept any new non-domestic discharges without first obtaining approval from the Chief of the Water Resources Section as provided in Series II, Section 14 of the Legislative Rules of the State Water Resources Board.
8. If any existing non-domestic discharge causes, or is suspected of causing, interference or pass through (as defined by 40 CFR 403.3) or otherwise violates any provision of 40 CFR 403, the permittee shall notify the Chief of such violation or suspected violation.
9. If any existing non-domestic discharge is identified as being subject to a Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this permit, the permittee shall notify the Chief of such identification.

10. The permittee shall obtain registration of their Sludge Management practices on or before January 27, 1994. Whereupon approval is granted by the Section, the permittee shall have fulfilled the requirements of Section D.5 of this Permit with respect to the sludge generated by the wastewater treatment facilities permitted herein and abidance to the terms and conditions of the approved Sludge Management Program shall become incorporated herewith.

The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit; with the plans and specifications submitted with Permit Application No. WV0086240, dated the 26th day of December, 19 90

_____ ; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the State Water Resources Board.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0086240, dated the 26th day of December, 19 90

_____, and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and for the invocation of all the enforcement procedures set forth in Article 5A, Chapter 20 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Article 5A, Chapter 20 of the Code of West Virginia and is transferable under the terms of Section 7 of said article.

By: *Lewley Emrey*
Chief

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Bradshaw, Town of

LOCATION OF FACILITY Bradshaw, McDowell County

PERMIT NUMBER WV0086240

OUTLET NO. 001

WASTELOAD FOR MONTH OF

19

INDIVIDUAL PERFORMING ANALYSES

Parameter	Quantity				Other Units				Measurement Frequency	Sample Type		
	Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily			Units	N.E.
Flow, In Con- duit or thru trmt. plant 50050	Reported	*****	*****	*****								
	Permit Limitation	*****	*****	*****		N/A	0.05	N/A	MGD		Continuous	Measured
BOD, 5-Deg (20 Deg. C) 00310	Reported											
	Permit Limitation	N/A	12.5	25.0	lbs/day	N/A	30.0	60.0	mg/l		1/Month	8 hour composite
Solids, Total Suspended 00530	Reported											
	Permit Limitation	N/A	12.5	25.0	lbs/day	N/A	30.0	60.0	mg/l		1/Month	8 hour composite
Nitrogen, Total Kjeldahl (as N) 00625	Reported											
	Permit Limitation	N/A	7.5	15.0	lbs/day	N/A	18.0	36.0	mg/l		1/Month	8 hour composite
pH 00400	Reported	*****	*****	*****								
	Permit Limitation	*****	*****	*****		6.0	N/A	9.0	Std. Units		1/Month	Grab
Coliform, fecal General 74055	Reported	MF	- -	MPN								
	Permit Limitation	Circle	Method	Used		N/A	200	400	counts 100 ml		1/Month	Grab
Reported												
Permit Limitation												

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Name of Principal Exec. Officer _____
Title of Officer _____
Signature of Principal Exec. Officer or Authorized Agent _____
Date Completed _____

RIGHT OF APPEAL

Notice is hereby given of your right to appeal the terms and conditions of this permit which you are aggrieved by to the State Water Resources Board by filing a NOTICE OF APPEAL on the form prescribed by such Board for this purpose, with the Board, in accordance with the provisions of Section 15, Article 5A, Chapter 20 of the Code of West Virginia within thirty (30) days after the date of receipt of the above permit.

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION1201 Greenbrier Street
Charleston, WV 25311-1088Gaston Caperton
GovernorJohn M. Ranson
Cabinet SecretaryDavid C. Callaghan
DirectorAnn A. Spaner
Deputy Director

NOTICE TO PERMITTEES

The 1989 regular session of the West Virginia legislature revised the Water Pollution Control Act, Chapter 20, Article 5A of the West Virginia Code by adding Section 6a. This section of the Code requires all holders of a State water pollution control permit or a national pollutant discharge elimination system permit to be assessed an annual permit fee, based upon regulations promulgated by the Director of the Division of Natural Resources. The Director promulgated regulations to this effect and the current regulations have an effective date of April 13, 1992. The regulations establish an annual permit fee based upon the relative potential to degrade the waters of the State which, in most instances, relate to volume of discharge. However, for sewage facilities, the annual permit fee is based upon the number of customers served by the facility. You may contact the Secretary of State's Office, State Capitol Building, Charleston, West Virginia 25305, to obtain a copy of the regulations. The reference is Title 47, Legislative Rules of Department of Natural Resources, Series 26 Water Pollution Control Permit Fee Schedule.

Based upon the volume of discharge for which your facility is currently permitted or operating at, the number of customers served by your facility or for the category you fall within, pursuant to Section 7 of Title 47, Series 26, your annual permit fee is \$100.00. This fee is due no later than the anniversary date of permit issuance in each year of the term of the permit or in the case of coverage under a general permit, the fee is due no later than the anniversary date of your coverage under the general permit. You will be invoiced by this agency at the appropriate time for the fee. Failure to submit the annual fee within one hundred and eighty(180) days of the due date will render your permit void.

FLOW OF FUNDS SCHEMATIC DIAGRAM - SYSTEM REVENUES

