

PROCIOS PUBLIC SERVICE DISTRICT

*Now Clay / Roane PSD*

Water Revenue Bond, Series 1982

BOND RESOLUTION

Table of Contents

	<u>Page</u>
ARTICLE I - DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS	
Section 1.01. Definitions . . . . .	1
Section 1.02. Authority for This Resolution . . . . .	3
Section 1.03. Findings and Determinations . . . . .	4
Section 1.04. Resolution To Constitute Contract . . . . .	5
ARTICLE II - AUTHORIZATION OF THE PROJECT	
Section 2.01. Authorization of the Project. . . . .	6
ARTICLE III - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF SERIES 1982 BOND	
Section 3.01. Authorization of Series 1982 Bond . . . . .	7
Section 3.02. Description of Series 1982 Bond . . . . .	7
Section 3.03. Execution of Bonds. . . . .	7
Section 3.04. Negotiability and Registration. . . . .	8
Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost . . . . .	8
Section 3.06. Form of Series 1982 Bond . . . . .	8
Form of Series 1982 Bond . . . . .	9
Record of Advances . . . . .	13
ARTICLE IV - SERIES 1982 BOND PROCEEDS, REVENUES AND APPLICATION THEREOF	
Section 4.01. Series 1982 Bond Proceeds; Project Construction Account. . . . .	14
Section 4.02. Covenants of the District as to Revenues and Funds . . . . .	15

ARTICLE V - GENERAL COVENANTS

Section 5.01.	General Statement . . . . .	18
Section 5.02.	Rates . . . . .	18
Section 5.03.	Sale of the System . . . . .	18
Section 5.04.	Covenant Against Encumbrances . . . . .	18
Section 5.05.	Issuance of Additional Parity Bonds . . . . .	18
Section 5.06.	Insurance and Bonds . . . . .	20
Section 5.07.	Statutory Mortgage . . . . .	21
Section 5.08.	Events of Default . . . . .	21
Section 5.09.	Enforcement . . . . .	22
Section 5.10.	Fiscal Year; Budget . . . . .	22
Section 5.11.	Compensation of Board Members . . . . .	23
Section 5.12.	Covenant to Proceed . . . . .	23
Section 5.13.	Books and Records . . . . .	23
Section 5.14.	Maintenance of System . . . . .	23
Section 5.15.	No Competition . . . . .	24
Section 5.16.	Concerning Arbitrage . . . . .	24
Section 5.17.	Bonds Secured by Pledge of Net Revenues. . . . .	24
Section 5.18.	Bonds Not To Be Indebtedness. . . . .	24

ARTICLE VI - RATES, ETC.

Section 6.01.	Initial Schedule of Rates and Charges; Rules . . . . .	25
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ARTICLE VII - MISCELLANEOUS

Section 7.01.	Delivery of Bond No. R-1 . . . . .	28
Section 7.02.	Modification or Amendment . . . . .	28
Section 7.03.	Defeasance . . . . .	28
Section 7.04.	Severability of Invalid Provision . . . . .	29
Section 7.05.	Conflicting Provisions Repealed . . . . .	30
Section 7.06.	Table of Contents and Headings . . . . .	30
Section 7.07.	Effective Date . . . . .	30

PROCIOS PUBLIC SERVICE DISTRICT

A RESOLUTION AUTHORIZING THE ISSUANCE OF THE WATER REVENUE BOND, SERIES 1982, IN THE PRINCIPAL AMOUNT OF NOT IN EXCESS OF \$192,000 OF THE PROCIOS PUBLIC SERVICE DISTRICT TO FINANCE THE COST, NOT OTHERWISE PROVIDED, OF CONSTRUCTION OF A NEW WATERWORKS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF SAID BOND; PROVIDING GENERALLY FOR THE RIGHTS, REMEDIES AND SECURITIES OF THE HOLDER OF SAID BOND AND FOR A STATUTORY MORTGAGE LIEN UPON THE WATERWORKS IN FAVOR OF THE HOLDER OF SAID BOND; ADOPTING OTHER PROVISIONS RELATING TO SAID BOND; ESTABLISHING RATES AND CHARGES FOR SAID WATERWORKS AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF THE PROCIOS PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

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

"Act" means Article 13A, Chapter 16, of the Code of West Virginia, 1931, as amended.

"Board" means the Public Service Board of the Procius Public Service District, the governing body of said District under the Act, and any successors to the functions thereof.

"Bond" or Bonds" means the Water Revenue Bond, Series 1982, originally authorized to be issued pursuant to this Resolution in the principal amount of not in excess of \$192,000, and shall also be deemed to include, where appropriate, any additional parity Bonds issued pursuant to this Resolution.

"Certified Public Accountant not in the regular employ of the District" means Krisher and Krisher, certified public accountants, Charleston, West Virginia, or any other certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Procius Public Service District to prepare an independent annual or special

audit of the accounts of said District or for any other purpose except keeping the accounts of said District in the normal operation of its business and affairs.

"Chairman" means the Chairman of the Board.

"Consulting Engineer" means Milam/BCM Engineering, Inc., Dunbar, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the District as Consulting Engineer for the System.

"District" means Precious Public Service District, of Clay County, West Virginia, and, where appropriate, also means the Board thereof.

"Facilities" or "waterworks facilities" means all the facilities of the System and also any facilities which may hereafter be added to the System by any additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Government" means the United States Department of Agriculture, Farmers Home Administration, and any successor thereof.

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

"Herein" means in this Resolution.

"Holder of the Bond" or "Bondholder" or any similar terms mean any person who shall be the bearer or owner of any outstanding Bond registered to bearer or not registered, or the registered owner of any outstanding Bond which shall at the time be registered other than to the bearer, or the bearer or owner of any coupons representing interest accrued or to accrue on said Bond.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the District relating and chargeable solely to the System, as hereinafter defined, the accumulation of

appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices, and retention of a sum not to exceed one-sixth (1/6) of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Original Purchaser" means the purchaser, directly from the District, of the Water Revenue Bond, Series 1982, originally authorized to be issued pursuant to this Resolution in the principal amount of not in excess of \$192,000, or of any part of such Bond.

"Project" shall have the meaning stated in Section 1.03(B) hereof and as described in Exhibit A.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the District, or accrued to the District, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Board.

"Series 1982 Bond" means the Water Revenue Bond, Series 1982, originally authorized to be issued pursuant to this Resolution in the principal amount of not in excess of \$192,000.

"System" means the complete waterworks system of the District consisting originally of the Project, including all water facilities owned by the District and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the Project.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

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

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

other applicable provisions of law. The District is a public service district created pursuant to the Act by The County Commission of Clay County, West Virginia.

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

(A) The District does not now have a public water-works system.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the District, and, accordingly, it is hereby ordered, that there be constructed and acquired a new water-works system of the District consisting of transmission and distribution lines, with all necessary appurtenant facilities, particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary.

(C) It is necessary for the District to issue its Series 1982 Bond in the principal amount of not in excess of \$192,000 to finance in part the costs of acquisition and construction of the Project in the manner hereinafter provided.

(D) The estimated maximum cost of the acquisition and the construction of the Project is \$1,698,000, of which \$192,000 will be obtained from the proceeds of sale of the Series 1982 Bond; \$856,000 will be obtained from a grant from the Government; \$488,900 will be obtained from a grant from the Appalachian Regional Commission; \$85,000 will be obtained from a grant from The County Commission of Clay County; and \$76,100 will be obtained from a grant from the West Virginia Housing Development Fund.

(E) The cost of the Project shall be deemed to include, without being limited to, the cost of acquisition or construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 1982 Bond prior to, during and for six months after completion of construction and acquisition of the Project; engineering, fiscal agents 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 Project; administrative expense; and such other expenses as may be necessary or incident to the financing authorized by this Resolution, the construction or acquisition of the Project or the placing of the same in operation.

(F) The period of usefulness of the System after completion of the Project will not be less than forty (40) years.

(G) There are not outstanding any obligations of the District which will rank superior to or on a parity with the Series 1982 Bond as to lien and source of and security for payment.

(H) The District has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 1982 Bond, or will have so complied prior to issuance of the Series 1982 Bond, including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Series 1982 Bond by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.04. Resolution To Constitute Contract. In consideration of the acceptance of the Series 1982 Bond by the Government, this Resolution shall be deemed to be and shall constitute a contract between the District and such Bondholder, and the covenants and agreements set forth in this Resolution to be performed by the District shall be for the benefit, protection and security of the legal holders of all the Bonds, all of which shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided herein.

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Project. There is hereby authorized the construction and acquisition of the Project described in Exhibit A hereto, plans and specifications for which have been prepared by the Consulting Engineer and heretofore filed in the office of the Secretary.

### ARTICLE III

#### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF SERIES 1982 BOND

Section 3.01. Authorization of Series 1982 Bond. Subject and pursuant to the provisions of this Resolution, the Bond of the District, to be known as "Water Revenue Bond, Series 1982," is hereby authorized to be issued in the aggregate principal amount of not exceeding One Hundred Ninety-Two Thousand Dollars (\$192,000) for the purpose of financing a part of the cost of the construction and acquisition of the Project.

Section 3.02. Description of Series 1982 Bond. The Series 1982 Bond shall be issued in single form, designated as No. R-1, and shall be dated on the date of delivery. The Series 1982 Bond shall bear interest from date, payable monthly at the rate of five percent (5%) per annum, and shall be sold for the par value thereof. If the Government is the Original Purchaser of the Series 1982 Bond, the aggregate principal amount of the Series 1982 Bond need not be paid to the District upon delivery to the Government of the Series 1982 Bond, but may be advanced to the District as requested by the District and approved by the Government; provided, however, that the Series 1982 Bond shall evidence only the indebtedness recorded on the Record of Advances incorporated in the Series 1982 Bond, and interest shall accrue only on the amount of each advance from the actual date thereof as listed in said Record of Advances.

The Series 1982 Bond shall be subject to prepayment of scheduled installments, or any portion thereof, at the option of the District, and shall be payable as provided in the Bond form hereinafter set forth. The Series 1982 Bond shall be subject to mandatory prepayment of scheduled installments, or any portion thereof, if, at any time the Government is the Holder thereof, it shall appear to the Government that the District is able to refinance the Series 1982 Bond by obtaining a loan for such purpose from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time and if the Government shall request the District to refinance the principal amount of the Series 1982 Bond outstanding, in whole or in part. The Series 1982 Bond shall further be subject to mandatory prepayment of scheduled installments if the Government shall exercise its option to accelerate payment upon an Event of Default, as provided in Section 5.09 of this Resolution.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the District by the Chairman, and the corporate seal shall be affixed thereto or imprinted thereon and attested by the Secretary. The Bonds may be signed and

sealed on behalf of the District by such person as at the actual time of the execution of such Bonds shall hold the proper office on the Board, 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. Negotiability and Registration. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of West Virginia. The Series 1982 Bond originally issued pursuant hereto shall be fully registered to the Government, and the Secretary is hereby appointed registrar for the Series 1982 Bond.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the District may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the District proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may require. The Bond so surrendered shall be cancelled and held for the account of the District. If the Bond shall have matured or be about to mature the District may, instead of issuing a substitute Bond, pay the same, upon being indemnified as aforesaid, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Any such duplicate Bond issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the District, whether or not the destroyed, stolen or lost Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits will all other Bonds issued pursuant to this Resolution.

Section 3.06. Form of Series 1982 Bond. Subject to the provisions of this Resolution, the text of the Series 1982 Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

(Form of Series 1982 Bond)

PROCIOUS PUBLIC SERVICE DISTRICT  
WATER REVENUE BOND, SERIES 1982

\$192,000

No. R-1

Date: \_\_\_\_\_

FOR VALUE RECEIVED, PROCIOUS PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of One Hundred Ninety-Two Thousand Dollars (\$192,000), or such lesser amount reflected in the Record of Advances herein, plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and, assuming the stated principal amount has then been advanced, as reflected in the Record of Advances herein, \$943.00, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government, and interest shall accrue on the amount of each advance from its actual date as hereinafter listed.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on either a calendar quarter basis or an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on either a calendar quarter basis or an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

This Bond is issued for the purpose of financing a part of the cost of construction and acquisition of a waterworks system of the Borrower (together with any improvements and extensions thereto, the "System"). Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its area for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a reasonable cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of improvements and extensions to the

System, is payable solely from the revenues to be derived from the operation of such System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitations.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 13A of Chapter 16 of the Code of West Virginia, 1931, as amended.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Rural Development Act of 1974. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof. All provisions of the resolution authorizing the issuance of this Bond and the 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.

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 exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Borrower, 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 of the Borrower has been pledged to and will be set aside as provided herein for the prompt payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the said Precious Public Service District, Clay County, West Virginia, has caused this Bond to be signed by the Chairman of its Public Service Board and its corporate seal to be hereunto affixed and attested by the Secretary of its Public Service Board, all as of the date first above written.

PROCIUS PUBLIC SERVICE DISTRICT  
(Name of Borrower)

(Signature of Executive Official)

Chairman, Public Service Board  
(Title of Executive Official)

P. O. Box 316  
(Post Office Box No. or Street  
Address)

Clendenin, West Virginia 25045  
(City, State and Zip Code)

[CORPORATE SEAL]

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board  
(Title of Attesting Official)

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AUTHORIZING OFFICER</u>
(1) \$		
(2) \$		
(3) \$		
(4) \$		
(5) \$		
(6) \$		
(7) \$		
(8) \$		
(9) \$		
(10) \$		

TOTAL \_\_\_\_\_

Pay to the Order of \_\_\_\_\_  
\_\_\_\_\_

UNITED STATES OF AMERICA  
FARMERS HOME ADMINISTRATION

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

## ARTICLE IV

### SERIES 1982 BOND PROCEEDS, REVENUES AND APPLICATION THEREOF

Section 4.01. Series 1982 Bond Proceeds; Project Construction Account. All moneys received from the sale of the Series 1982 Bond shall be deposited on receipt by the District in the Clay County Bank, of Clay, West Virginia (herein called the "Bank"), a member of the Federal Deposit Insurance Corporation (herein called "FDIC"), in a special account hereby created and designated as "Precious Public Service District Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such Bank by Government Obligations. The Project Construction Account shall constitute a trust fund, and moneys in the Project Construction Account shall be expended by the District solely for the purposes provided in this Resolution; provided, however, that payment of interim financing used for such purposes shall be considered as use for such purposes. Expenditures or disbursements from the Project Construction Account, except for legal, fiscal and engineering expenses and expenses in connection with the issuance and sale of the Series 1982 Bond shall be made only after such expenditures or disbursements shall have been approved in writing by the Consulting Engineer.

Until completion of construction of the Project, the District will transfer from the Project Construction Account and deposit in the Sinking Fund, not later than fifteen days prior to the next interest payment date, such sums as shall be from time to time required to pay the interest becoming due on the Series 1982 Bond on such interest payment date if moneys in the Sinking Fund are insufficient for such purpose.

If the District shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing ninety (90) days, the District may invest such excess funds in Government Obligations which shall mature not later than eighteen (18) months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall first be used to refund promptly any overpayment made with respect to any federal grants, and any moneys then remaining in the Project Construction Account shall be promptly used to prepay installments of the Series 1982 Bond

or a portion thereof, and any residue shall be deposited in the Sinking Fund.

Section 4.02. Covenants of the District as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account hereinafter established a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 1982 Bond, or such lesser amount reflected in the Record of Advances therein, and any additional parity Bonds remaining unpaid, together with interest accrued and to accrue thereon, the District further covenants with the Holders of the Bonds as follows:

(A) Revenue Fund. The entire Gross Revenues derived from the operation of the System, and all parts thereof, shall be deposited as collected by the District in a special fund, known as the "Precious Public Service District Revenue Fund" (herein called the "Revenue Fund"), which is hereby established with the Bank. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner provided in this Resolution.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The District shall first each month set aside in the Operation and Maintenance Fund hereby established with the Bank such sum as the Board shall determine, in accordance with its budget, to be necessary for Operating Expenses.

(2) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and pay to the office and place designated in the Bond (herein called the "Sinking Fund") the amount as set forth in the Bond required to pay the interest on the Bond and to amortize the principal of the Bond over the life of the Bond issue.

(3) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with the Bank in a Reserve Fund hereby established with said Bank, one-twelfth (1/12) of one-tenth (1/10) of the maximum amount of principal and interest becoming due on the Bond in any Fiscal Year until the amount in the Reserve Fund equals such maximum amount. After such maximum amount has been accumulated in the Reserve Fund, the District shall monthly deposit in the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of Operating Expenses of the System and for payment of maturing principal of and interest on the Bond, as shall be required to maintain such maximum amount

in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bond as the same shall become due or for prepayment of installments or for mandatory redemption of Bonds of all series as hereinafter provided, and for no other purpose.

(4) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Replacement Fund hereby established with the Bank, the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Replacement Fund the aggregate sum of \$35,000 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Replacement Fund shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bond as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Replacement Fund may be withdrawn by the District and used for repairs, replacements of equipment and improvements of the System, or any part thereof.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein may be used to prepay installments of the Bond outstanding, or for any lawful purpose.

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the unpaid principal of the Bond outstanding, it shall be the mandatory duty of the District, anything to the contrary in this Resolution notwithstanding, to direct the Bank to pay the unpaid principal amount of the Bond at the earliest practical date and in accordance with applicable provisions hereof, including interest accrued and to accrue to the date of prepayment.

The aforesaid Bank (and any successor appointed by the District) is hereby designated as the fiscal agent (herein called the "Fiscal Agent") for the administration of the Reserve Fund and the Replacement Fund as herein provided, and all amounts required therefor will be deposited by the District upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and, until so used, the Bondholder shall have a lien thereon for further securing payment of the Bond and the interest thereon. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of

such insured sum, in a manner lawful for securing deposits of state and municipal funds under the laws of the State of West Virginia.

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

The Fiscal Agent shall keep the moneys in the Reserve Fund and the Replacement Fund invested and reinvested to the fullest extent practicable in Government Obligations having maturities not exceeding two years. Earnings upon moneys in the Reserve Fund, so long as the maximum amount required to be accumulated therein is on deposit and maintained therein, shall be paid annually into the Revenue Fund by the Fiscal Agent.

(C) Change of Fiscal Agent. The District may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Board determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. Upon any such change, the Board will cause notice of the change to be sent by registered or certified mail to the Government.

(D) User Contracts. The District shall, prior to delivery of the Series 1982 Bond, obtain user agreements from not less than 134 users in the area to be served by the Project, and shall collect not less than \$6,700 based on a user contribution of \$50.

## ARTICLE V

### GENERAL COVENANTS

Section 5.01. General Statement. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to pay when due, or redeem or purchase prior to maturity, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon and any applicable redemption premiums, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the District and the Bondholders.

Section 5.02. Rates. The District will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the average annual debt service on the Bonds outstanding and to make the payments required herein for principal of and interest on the Bonds and into the Reserve Fund and the Replacement Fund during such Fiscal Year; and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 5.03. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only with written consent of the Government, and such consent will specify the disposition of the proceeds of any such sale or transfer, as shall be allowable under the Act.

Section 5.04. Covenant Against Encumbrances. The District will not issue any obligations whatsoever, except additional parity Bonds hereinafter provided for, 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; and all obligations hereafter issued by the District 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 revenues, and in all other respects, to the Bonds.

Section 5.05. Issuance of Additional Parity Bonds. No additional parity Bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Resolution.

(A) No such additional parity Bonds shall be issued except for the purposes of financing the costs of the construction or acquisition of extensions, additions and improvements

to the System or refunding Bonds issued hereunder, except as provided in subsection (F) of this section.

(B) No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Secretary a written certification by a Certified Public Accountant not in the regular employ of the District, based upon the necessary investigation, reciting the conclusion that the Net Revenues actually derived from the System during the Fiscal Year immediately preceding the date of the issuance of such additional parity Bonds shall have been not less than one hundred twenty percent (120%) of the average aggregate amount which will mature or become due in any succeeding Fiscal Year for principal of and interest on the Series 1982 Bond then outstanding, and on any additional parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then outstanding and on the additional parity Bonds then proposed to be issued. This limitation may be waived or modified by the written consent of Bondholders representing seventy-five percent (75%) of each series of the then outstanding Bonds issued pursuant hereto.

(C) Prior to or simultaneously with the issuance of any such additional parity Bonds, the District shall have entered into written contracts for the immediate acquisition or construction of such additions, extensions or improvements to the System which are to be financed by such additional parity Bonds.

(D) The term "additional parity Bonds," as used in this section, shall be deemed to mean additional bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 1982 Bond or with Bonds which were issued pursuant to this section as additional parity Bonds, and all the covenants and other provisions of this Resolution (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the Series 1982 Bond and the Holders of any additional parity Bonds subsequently issued within the limitations of and in compliance with this section. All such Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said revenues, without preference of any Bond or coupon over any other. The District shall comply fully with all the increased payments into the various funds created in this Resolution required for such additional parity Bonds, in addition to the payments required for Bonds theretofore issued hereunder. Redemption of Bonds prior to maturity, in the event that Bonds of more than one series are outstanding, shall as nearly as practical be on an equal pro rata basis reflecting the original amounts of each series.

(E) No additional parity Bonds shall be issued at any time unless all the payments into the respective funds provided for in this Resolution on Bonds then outstanding and all other payments provided for in this Resolution shall have been made or paid up as required to the date of issuance of the additional parity Bonds and the District shall have fully complied with all the covenants, agreements and terms of this Resolution or shall have remedied any deficiency in such compliance.

(F) Anything to the contrary in subsections (A), (B) and (C) of this section notwithstanding, additional parity Bonds may be authorized and issued by the District pursuant to supplemental resolution in the event that the Series 1982 Bond should be insufficient, together with other funds lawfully available therefor, to pay all costs of construction of the Project. Any such additional parity Bonds authorized and issued under the provisions of this subsection shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of such construction costs, and the maturities of any such additional parity Bonds shall be in years and amounts suggested by the Original Purchaser.

Section 5.06. Insurance and Bonds. The District hereby covenants and agrees that so long as any of the Bonds remain outstanding, it will, as an expense of operation and maintenance of the System, procure, carry and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the District will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The District will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the District during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than \$500,000 for personal liability to protect the District from claims for bodily injury and/or death, and not less than \$200,000 from claims for damages to property of others which may arise from the District's operation of the System, such insurance to be procured at the commencement of construction of the Project.

(c) Vehicular Public Liability Insurance, in the event the District owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the District is operated for the benefit of the District,

with limits of not less than \$500,000 for personal liability to protect the District from claims for bodily injury and/or death, and not less than \$200,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(d) Workmen's Compensation Coverage will be required for all employees of the District eligible therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of The County Commission of Clay County prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39, of the Code of West Virginia, 1931, as amended.

(e) Fidelity Bonds shall be provided as to every member of the Board and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the District in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$20,000 and to be increased thereafter as necessary to cover the maximum amount of funds under control of that position at any one time.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this section, during construction of the Project and so long as the Government holds any of the Bonds, the District will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the District and during such construction will require each contractor and subcontractor to carry insurance of such types and in such amount as the Government may specify, with insurance carriers or bonding companies acceptable to the Government.

Section 5.07. Statutory Mortgage. For the further protection of the Holders of the Bonds and the coupons appertaining thereto, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of any of the Bonds.

Section 5.08. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of the principal of, and, if any premium be due, of such premium on, any of the Bonds either at the date therein specified for their payment, or on the date fixed for redemption by proceedings for redemption, or otherwise;

(B) Failure to make payment of any installment of interest due on any of the Bonds on the date specified for the payment of such interest;

(C) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the District contained in the Bonds or in this Resolution, or violation of or failure to observe any provision of any pertinent law, provided any such failure or violation, excluding those covered in (A) and (B) above in this section, shall continue for a period of thirty (30) days after written notice shall have been given to the District by any Bondholder specifying such failure or violation and requiring the same to be remedied; provided, however, a default under any other agreement which the District has with the Government shall constitute an Event of Default hereunder.

Section 5.09. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, if the Government is the Holder of any of the Bonds outstanding, the Government may, at its option, declare the entire principal amount of the Bonds held by it then outstanding, and any interest accrued thereon, immediately due and payable. Upon the happening of any Event of Default specified above, then, and in every such case, any Bondholder may proceed to protect and enforce the rights of the Bondholders by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by such Bondholder, such court may, upon proof of such default, appoint a receiver for the affairs of the District and the System. The receiver so appointed shall administer the System on behalf of the District, shall exercise all the rights and powers of the District with respect to its System and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 5.10. Fiscal Year; Budget. While any Bonds are outstanding and unpaid and to the extent not prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty (30) days prior to the beginning of each Fiscal Year, the District agrees to adopt the annual budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the annual budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Board. Copies of each annual

budget shall be delivered to the Government by the beginning of each Fiscal Year.

If for any reason the District shall not have adopted the annual budget before the first day of any Fiscal Year, it shall adopt a budget of current expenses from month to month until the adoption of the annual budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten percent (10%); and provided further, that adoption of a budget of current expenses shall not constitute compliance with the covenant to adopt an annual budget unless failure to adopt an annual budget be for a reason beyond the control of the District. Each such budget of current expenses shall be mailed immediately as in the case of the annual budget.

Section 5.11. Compensation of Board Members. The District hereby covenants and agrees that no compensation for policy direction shall be paid to the members of its Board in excess of the amount permitted by the Act. Payment of any compensation to any member of the Board for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision of this Resolution.

Section 5.12. Covenant to Proceed. The District hereby covenants to proceed as promptly as possible with the construction of the Project in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary of the Board.

Section 5.13. Books and Records. The District will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds, his agents and representatives, shall have the right at all reasonable times to inspect the System and all records, accounts and data of the District relating thereto.

The District shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants, shall mail a copy of such audit report to the Government and the original purchaser of the Bonds, and shall make available the report of said accountants at all reasonable times to any Holder or Holders of the Bonds, or any customer receiving services from the System, or anyone acting for and in behalf of such Bondholder, Bondholders or customer.

Section 5.14. Maintenance of System. The District covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a

revenue-producing utility as herein provided so long as any of the Bonds are outstanding.

Section 5.15. No Competition. The District will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to, or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the District or within the territory served by the System.

Section 5.16. Concerning Arbitrage. The District specifically covenants that the proceeds of sale of the Series 1982 Bond will not be invested in such a way as to violate the operating rules in the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended. The Fiscal Agent is hereby expressly instructed not to violate such rules in investing such proceeds.

Section 5.17. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinbefore provided. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds, and to make other payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 5.18. Bonds Not To Be Indebtedness. Neither the Bonds nor coupons appertaining thereto shall be or constitute an indebtedness of the District within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the Net Revenues of the System and the proceeds of the Bonds, all as more expressly herein provided. No Holder or Holders of any Bonds issued hereunder, or of any coupon appertaining thereto, shall ever have the right to compel the exercise of the taxing power, if any, of the District to pay said Bonds or the interest thereon.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges;  
Rules. (A) The initial schedule of rates and charges for the services and facilities of the System, applicable in the entire territory served, shall be as follows:

AVAILABILITY OF SERVICE

Available for general domestic, commercial, and industrial service.

RATE

First 3,000 gallons used per month	\$ 6.50 per 1,000 gallons
Next 3,000 gallons used per month	6.30 per 1,000 gallons
Next 4,000 gallons used per month	6.10 per 1,000 gallons
Next 10,000 gallons used per month	5.90 per 1,000 gallons
Over 20,000 gallons used per month	5.70 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8 inch meter	\$ 19.50 per month
3/4 inch meter	29.25 per month
1 - inch meter	48.75 per month
1-1/2 inch meter	97.50 per month
2 - inch meter	156.00 per month
3 - inch meter	292.00 per month
4 - inch meter	487.50 per month
6 - inch meter	975.00 per month

(minimum monthly bill \$19.50 for 3,000 gallons)

DELAYED PAYMENT PENALTY

The above tariff is net. Any account not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the amount due. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

CONNECTION CHARGE

Prior to award of construction contract - \$50.  
Subsequent to award of construction contract - there shall be a charge for connection to the System of One Hundred and Fifty Dollars (\$150.00).

RECONNECTION CHARGE

Ten Dollars (\$10.00).

(B) Except as otherwise required by governmental regulation, there shall not be any discrimination or differential in rates between customers in similar circumstance.

(C) All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. When such fees, rates and charges have been delinquent for thirty days, the District shall have power forthwith to foreclose the lien on the premises served in the same manner provided by the laws of the State of West Virginia for the foreclosure of mortgages on real property, subject to any limitations prescribed by the Act.

(D) The District will not render or cause to be rendered any free service of any nature by the System nor any of the facilities; and in the event that the District or any department, agency, officer or employee thereof should avail itself or himself of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

(E) The District may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

(F) No allowance or adjustment in any bill for use of the service and facilities of the System shall be made for any leakage occurring on the customer's side of any water meter.

(G) The District shall not be liable to any customer for any damage resulting from bursting or breakage of any line, main, pipe, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatsoever.

(H) In case of emergency, the District shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the District.

(I) The fees, rates and charges above provided will be increased whenever such increase is necessary in order to

comply fully with all provisions of this Resolution, and the District shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide Net Revenues to meet its obligations hereunder, but never less than 110% of the average annual debt service on all Bonds outstanding.

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ARTICLE VII

MISCELLANEOUS

Section 7.01. Delivery of Bond No. R-1. The Chairman, Secretary and Treasurer of the Board are hereby authorized and directed to cause Bond No. R-1, representing all the Series 1982 Bond issue, hereby awarded to the Government pursuant to agreement, to be delivered to the Government as soon as the Government will accept such delivery and pay for Bond No. R-1; provided, however, that the Government may, rather than pay the entire principal amount of the Series 1982 Bond to the District upon delivery of the Series 1982 Bond to the Government, advance such amounts as may from time to time be requested by the District and approved by the Government; provided, further, however, that Bond No. R-1 shall evidence only the indebtedness recorded on the Record of Advances incorporated therein and that interest shall accrue only on the amount of each advance from the actual date thereof as listed on said Record of Advances.

Section 7.02. Modification or Amendment. No material modification or amendment of this Resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Holders of two-thirds (2/3) or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of any of the Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the District to pay the principal of and interest on the Bonds as the same shall become due from the Net Revenues of the System, without the consent of the Holders of such Bonds. Notwithstanding the above, no amendment or modification shall be made without the unanimous consent of the Bondholders which would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications or the seventy-five (75) percentage required for consent to a waiver or modification of the limitation upon issuance of additional parity bonds contained in Section 5.05(B).

Section 7.03. Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all Bonds and coupons, the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of any revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the District to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or coupons 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 agent at the same or earlier time, shall be sufficient, to pay, as and when due, the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds and all coupons appertaining to such Bonds shall prior to the maturity or prepayment or redemption 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 irrevocably in trust with the Bank 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 irrevocably in trust with the Bank at the same time, shall be sufficient, to pay when due the principal of and redemption premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption or prepayment date or maturity date thereof, as the case may be, and, in the event said Bonds are not by their terms subject to redemption or prepayment or are not to be redeemed or prepaid within the next succeeding sixty (60) days, the District shall have published, or shall have made arrangements satisfactory to the Bank to publish, as soon as practicable, a notice to the holders of such Bonds and coupons that the deposit required above has been made with the Bank and that said Bonds and coupons are deemed to have been paid in accordance with this section and stating such maturity or redemption or prepayment date upon which moneys are to be available for the payment of the principal of, interest on, and redemption premium, if applicable, on said Bonds. Neither securities nor moneys deposited with the Bank 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 of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Bank, 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 of and redemption premium, if applicable, on and interest to become due on said Bonds on and prior to such redemption or prepayment date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the District, as received by the Bank, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 7.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of

this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions of this Resolution or the Bonds or coupons appertaining thereto.

Section 7.05. Conflicting Provisions Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflicts, hereby repealed; provided, however, any loan resolution, or part thereof, adopted by the District on Form FmHA 442-47 shall not be repealed hereby.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted September 24, 1982.

  
Chairman of Public Service Board

  
Member

  
Member

EXHIBIT A

The Project consists of approximately ten and one-half (10-1/2) miles of water distribution line, two 5,000-gallon storage tanks, one pressure reducer, one 30-gallon per minute booster station and one 80-gallon per minute treatment plant. Raw water will be taken from the Elk River into the plant, where it will be treated, filtered and pumped into the System.