

**JEFFERSON COUNTY PUBLIC SERVICE DISTRICT**

**Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)**

**NOTES TRANSCRIPT**

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**JEFFERSON COUNTY PUBLIC SERVICE DISTRICT**  
**WATERWORKS SYSTEM DESIGN NOTES, SERIES 1997**  
**(WEST VIRGINIA INFRASTRUCTURE FUND)**

**NOTES RESOLUTION**

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JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE TEMPORARY FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$145,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN NOTES, SERIES 1997 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH NOTES; APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ADOPTED BY THE PUBLIC SERVICE BOARD OF JEFFERSON COUNTY 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 context expressly requires otherwise.

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption of this Resolution.

"Administrative Fee" means any administrative fee required to be paid under the Loan Agreement.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Notes, or any other

agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

“Authorized Officer” means the Chairperson of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

“Board” or “Governing Body” means the public service board of the Issuer or any successor thereto.

“Chairperson” means the Chairperson of the Governing Body of the Issuer.

“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 Pentree, Inc., Princeton, West Virginia, or any qualified engineer or firm of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; provided however, that the Consulting Engineer shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions.

“Contract” means the contract for preconstruction engineering services by and between the Issuer and the Consulting Engineers, approved by the Final Order of the Public Service Commission of West Virginia entered on May 13, 1997, Case No. 97-0128-PSWD-PC.

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

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

“FDIC” means the Federal Deposit Insurance Corporation or 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.

“Governmental 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.

“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” shall not include any proceeds from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined).

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

“Issuer” means Jefferson County Public Service District, a public service district and political subdivision of the State of West Virginia, in Jefferson County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

“Loan Agreement” means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Notes from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

“Noteholder” or “Holder of the Notes” or “Holder” or “Registered Owner” or any similar term means any person who shall be the registered owner of any Outstanding Note or Notes.

“Notes” means the not more than \$145,000 aggregate principal amount of Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), originally authorized hereby.

“Notes Legislation” or “Resolution” means this Notes Resolution and all orders, ordinances and resolutions supplemental hereto or amendatory hereof.

“Notes Project Fund” means the Notes Project Fund established by Section 4.01 hereof.

“Notes Payment Fund” means the Notes Payment Fund established by Section 4.02 hereof.

“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, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that “Operating Expenses” does not include payments on account of the principal of or redemption premium, if any, or interest, if any, on 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.

“Outstanding,” when used with reference to Notes and as of any particular date, describes all Notes theretofore and thereupon being delivered except (a) any Note for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Note deemed to have been paid as provided in Article VI hereof.

“Paying Agent” means the Commission or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

“Project” means the Project described in Section 1.03A hereof.

“Qualified Investments” means and includes any of the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National

Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

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

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

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

“Secretary” means the Secretary of the Issuer.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution of the Issuer amending or supplementing this Resolution and, when preceded by the article “the,” refers specifically to the Supplemental Resolution authorizing the sale of the Notes, provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Notes, and not so included may be included in another Supplemental Resolution.

“System” means the complete public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

“West Virginia Infrastructure Fund” means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 13 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Resolution; and the term “hereafter” means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof, is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer presently owns a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be designed certain improvements and extensions to the existing public waterworks system of the Issuer, including new water lines and two new water tanks in the Blue Ridge Mountain area in Jefferson County, together with all appurtenant facilities (the design of the aforementioned improvements and extensions is herein referred to as the "Project"). The existing public waterworks system of the Issuer and any further additions, betterments and improvements thereto, including those contemplated by the Project, are herein called the "System".

B. In order to proceed with the Project, the Issuer has entered into the Contract with the Consulting Engineers for preconstruction engineering services for a total fee of not to exceed \$376,310.

C. It is deemed necessary for the Issuer to issue its Notes, in an aggregate principal amount of not more than \$145,000, to temporarily finance a portion of the costs of the Project and the costs of issuance of the Notes and related costs. The Consulting Engineers are deferring the remaining balance of the costs of the Project until such time as monies are received by the Issuer for acquisition and construction of the improvements and extensions contemplated by the Project, or, in the event the improvements and extensions contemplated by the Project are not acquired or constructed, the Issuer shall not be required to pay the remaining balance due to the Consulting Engineers for the Project.

D. It is in the best interests of the Issuer that its Notes be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

E. There are no outstanding bonds or other obligations of the Issuer which will rank senior and prior to or on a parity with the Notes as to liens, pledge and source of and security for payment. The Notes shall be payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; and (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System, issued subsequent to the issuance of the Notes. The Issuer has no obligations outstanding which are payable from any source from which the Notes are payable.

In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding

bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued by the maturity date of the Notes over a 20-year period, the payment of the Notes shall be deferred until the earlier of (i) the date any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System, (ii) the date any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued, or (iii) 20 years from the date of issuance of the Notes. In the event any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date of the Notes from the proceeds thereof. In the event the Issuer receives a grant (other than a grant from the West Virginia Infrastructure Fund) or other non-loan funding assistance for the acquisition and construction of a project to serve the area described in the application to the Council, which grant or other non-loan funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the Net Revenues generated from the project constructed from such grant or other non-loan funding assistance (or from bond proceeds secured by such Net Revenues) and such repayment shall be amortized for a period not to exceed 20 years, provided that the holders of any outstanding debt secured by the System shall consent to the payment of the Notes from the Net Revenues generated from the project, as required. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued or no project has been acquired or constructed by the Issuer within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

F. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, the Contract and the issuance of the Notes, or will have so complied prior to issuance of the Notes, including the obtaining of approval of the Project, the Contract and the issuance of the Notes 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 Notes or such final order will not be subject to rehearing or appeal.

G. Pursuant to the Act, the Project has been reviewed and determined to be technically feasible by the Council and the Council has authorized the Authority to make a loan to the Issuer from the West Virginia Infrastructure Fund (or will have so authorized prior to issuance of the Notes).

Section 1.04. Notes Legislation Constitutes Contract. In consideration of the acceptance of the Notes by those who shall be Registered Owners of the same from time

to time, this Notes Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the Notes.

ARTICLE II

AUTHORIZATION OF THE DESIGN OF THE PROJECT AND  
ENTRY INTO THE LOAN AGREEMENT

Section 2.01. Authorization of the Design of the Project. There is hereby authorized and ordered the Project, at an estimated cost of not to exceed \$376,310. The Issuer is hereby authorized and directed to enter into the Contract with the Consulting Engineer.

Section 2.02. Authorization for Issuer to Enter Into Loan Agreement. The Issuer hereby approves the Loan Agreement and the sale of the Notes pursuant to the Loan Agreement. The Issuer is hereby authorized and directed to execute and deliver the Loan Agreement to the Authority.

## ARTICLE III

### THE NOTES

Section 3.01. Authorization of the Notes. For the purposes of temporarily financing a portion of the costs of the Project and paying the costs of issuance of the Notes and related costs, there shall be and hereby are authorized to be issued the Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount of not more than \$145,000.

Section 3.02. Terms of Notes. The Notes shall be issued in fully registered form and shall be initially issued as one Note, numbered R-1, in the principal amount of not to exceed \$145,000. The Notes shall be dated such date, shall bear interest, if any, at such rate or rates, not exceeding the then legally permissible limit on such date or dates; shall be subject to an Administrative Fee, if any, set forth in the Loan Agreement; shall mature on such date or dates and in such amounts; and shall be subject to such repayment or redemption, all as provided in the Supplemental Resolution or the Notes.

The aggregate principal amount of the Notes need not be paid to the Issuer upon delivery of the Notes but may be advanced to the Issuer as requested by the Issuer from time to time; and the Notes shall evidence only the indebtedness recorded on the Record of Advances attached thereto and incorporated therein. Interest, if any, shall accrue on the Notes only on the amount of each advance from the actual date thereof as listed on said Record of Advances.

The Notes shall be payable as to principal and interest, if any, at the principal office of the Paying Agent in any coin or currency which, on the dates of payment, is legal tender for the payment of public and private debts under the laws of the United States of America.

Section 3.03. Execution and Authentication of Notes. The Notes shall be executed in the name of the Issuer by the manual signature of its Chairperson and the seal of the Issuer shall be affixed thereto, and attested by the manual signature of the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the Notes shall cease to be such officer of the Issuer before the Notes so signed and sealed shall have been actually sold or delivered, such Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office. Any Notes may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Notes shall hold the proper office of the Issuer, although at the date of such Notes such person may not have held such office or may not have been so authorized.

No Note shall be valid or entitled to any security or benefit under this Resolution unless and until the certificate of authentication and registration on such Note shall have been duly manually executed by the Registrar, and such executed certificate of the Registrar upon any such Note shall be conclusive evidence that such Note has been authenticated, registered and delivered under this Notes Legislation. The certificate of authentication and registration shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication and registration on all of the Notes issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the restrictions on transfer set forth below, the Notes shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Notes, shall be conclusively deemed to have agreed that said Notes 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 Notes shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Notes remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Notes. The Notes shall be transferrable only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar by request of the registered owner thereof in person or by his attorney duly authorized in writing, and upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of a Note, there shall be issued to the transferee another fully registered Note or Notes of the aggregate principal amount equal to the unpaid amount of the transferred Note.

In all cases in which the privilege of transferring Notes is exercised, Notes shall be delivered in accordance with the provisions of this Resolution. All Notes surrendered in any such transfers shall forthwith be canceled by the Registrar. For every such transfer of Notes, the 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 transfer and the cost of preparing each new Note upon each transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such transfer (except for the Authority) as a condition precedent to the exercise of the privilege of making such transfer. The Registrar shall not be obliged to make any such transfer of Notes during the 15 days preceding an interest payment date on the Notes or after notice of any prepayment of the Notes has been given.

Section 3.05. Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Issuer, may in its discretion, issue and deliver a new Note in exchange and substitution for such mutilated Note upon surrender and cancellation of such mutilated Notes or in lieu of and substitution for the Note destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Council may prescribe and paying such expenses as the Issuer may incur. All Notes so surrendered shall be submitted to and canceled by the Registrar and held for the account of the Issuer. If such Note shall have matured or be about to mature, instead of issuing a substitute Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof.

Section 3.06. Form of Notes. The text of the Notes shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF NOTE)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
JEFFERSON COUNTY PUBLIC SERVICE DISTRICT  
WATERWORKS SYSTEM DESIGN NOTE, SERIES 1997  
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R-1

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

KNOW ALL MEN BY THESE PRESENTS: That JEFFERSON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the Record of Advances attached hereto and incorporated herein by reference as a part hereof, with no interest. The Administrative Fee (as defined in the hereinafter described Notes Legislation) in the amount of \_\_\_\_\_% as set forth in the Loan Agreement (as hereinafter defined) shall also be payable on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

The principal of this Note and the Administrative Fee are payable in any coin or currency which on the date of payment thereof 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 Note may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated \_\_\_\_\_, 199\_\_\_\_, by and between the Issuer and the Authority, on behalf of the Council.

This Note is issued (i) to temporarily finance a portion of the costs of design of certain improvements and extensions to the existing public waterworks system of the Issuer (the design of the aforementioned improvements and extensions is herein referred to as the "Project", and the existing public waterworks system of the Issuer, together with any further additions, betterments and improvements thereto, including those contemplated by the Project, are collectively referred to as the "System") and (ii) to pay the costs of issuance hereof and related costs. This Note 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 9A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Notes Resolution duly adopted by the Issuer on \_\_\_\_\_, 199\_, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 199\_ (collectively, the "Notes Legislation"), and is subject to all the terms and conditions thereof.

The principal of this Note is payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; and (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System issued subsequent to the issuance of this Note. The moneys from these sources shall be deposited into the Notes Payment Fund established under the Notes Legislation for the prompt payment of the principal of this Note. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued by the maturity date of the Notes, the payment of the Notes shall be deferred until the earlier of (i) the date any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System, (ii) the date any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued or (iii) 20 years from the date of issuance of the Notes. In the event any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or any revenue bonds, refunding bonds or other obligations of the Issuer, secured by or payable from revenues of the System, are issued, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date of the Notes from the proceeds thereof. In the event the Issuer receives a grant (other than a grant from the West Virginia Infrastructure Fund) or other non-loan funding assistance for the acquisition and construction of a project to serve the area described in the application to the Council, which grant or other non-loan funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the Net Revenues generated from the project constructed from such grant or other non-loan funding assistance (or from bond proceeds secured by such Net Revenues) and such repayment shall be amortized for a period not to exceed 20 years, provided that the holders of any outstanding debt secured by the System shall consent to the payment of the Notes from the Net Revenues generated from the project, as required. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued or no project has been acquired or constructed by the Issuer within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

This Note does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the

Issuer be obligated to pay the same except from the sources set forth above. Under the Notes Legislation, the Issuer has entered into certain covenants with the Authority, for the terms of which reference is made to the Notes Legislation. Remedies provided the Authority are exclusively as provided in the Notes Legislation, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth herein, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Note is transferable, as provided in the Notes Legislation, only by transfer of registration upon the books of \_\_\_\_\_, West Virginia, as registrar (the "Registrar"), to be made at the request of the registered owner hereof in person or by his attorney duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

All moneys received from the sale of this Note shall be applied solely to the payment of the costs of design of the Project and the costs of issuance and related costs described in the Notes 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 Note.

Under the Act, this Note is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the Notes, together with all other obligations of the Issuer, do not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

This Note shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, JEFFERSON COUNTY PUBLIC SERVICE DISTRICT has caused this Note to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Note to be dated \_\_\_\_\_, 199\_\_\_\_.

[SEAL]

Attest:

  
Carole G. Hall  
Secretary

Stanley E. Zombro  
Chairperson

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Note is one of the Notes described in and issued under the provisions of the within-mentioned Notes Legislation and has been duly registered in the name of the registered owned set forth above.

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

\_\_\_\_\_  
Registrar

\_\_\_\_\_  
Authorized Officer

(Form of )

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within-mentioned Note and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer said Note on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_

IN THE PRESENCE OF:

\_\_\_\_\_

(Form Of)

RECORD OF ADVANCES

| <u>AMOUNT</u> | <u>DATE</u> | <u>AMOUNT</u> | <u>DATE</u>                 |
|---------------|-------------|---------------|-----------------------------|
| (1) \$        |             | (7) \$        |                             |
| (2) \$        |             | (8) \$        |                             |
| (3) \$        |             | (9) \$        |                             |
| (4) \$        |             | (10) \$       |                             |
| (5) \$        |             | (11) \$       |                             |
| (6) \$        |             | (12) \$       |                             |
|               | TOTAL       | \$            | <u>                    </u> |

Section 3.07.      Sale of Notes.      The Notes shall be sold to the Authority contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, adoption of the Supplemental Resolution; provided, that the Authority and the Issuer shall have agreed to the purchase thereof.

Section 3.08.      Advances of Principal of Notes.      The Issuer shall request the Council for the proceeds of the Notes as needed to pay the costs of the Project and the costs of issuance of the Notes and related costs, and such proceeds shall be paid to the Issuer or its designated payee only upon resolution of the Governing Body and only to pay the costs authorized by this Notes Legislation. After payment of all such costs, any remaining Notes proceeds which have been advanced to the Issuer shall be transferred to the Notes Payment Fund and applied to the payment of the Notes.

Section 3.09.      Pledge of Security for the Notes.      The principal of and interest, if any, on the Notes shall be payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; and (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System issued subsequent to the issuance of the Notes, all of which are hereby pledged for such payment. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued by the maturity date of the Notes, the payment of the Notes shall be deferred until the earlier of (i) the date any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System, (ii) the date any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued, or (iii) 20 years from the date of issuance of the Notes. In the event any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date of the Notes from the proceeds thereof. In the event the Issuer receives a grant (other than a grant from the West Virginia Infrastructure Fund) or other non-loan funding assistance for the acquisition and construction of a project to serve the area described in the application to the Council, which grant or other non-loan funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the Net Revenues generated from the project constructed from such grant or other non-loan funding assistance (or from bond proceeds secured by such Net Revenues) and such repayment shall be amortized for a period not to exceed 20 years, provided that the holders of any outstanding debt secured by the System shall consent to the payment of the Notes from the Net Revenues generated from the project, as required. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued

or no project has been acquired or constructed by the Issuer within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

Section 3.10. Payment of Notes Upon Sale of System. So long as the Notes shall be outstanding, neither the System, nor any part thereof, shall be sold, transferred, or otherwise conveyed, or be subject to an operation and maintenance agreement or similar contract, unless the entire outstanding principal, accrued interest, if any, and the Administrative Fee of the Notes shall have been paid pursuant to the Loan Agreement prior to the completion of any such sale, transfer, or other conveyance, or the execution of any such operation and maintenance agreement or similar contract.

Section 3.11. Notes Not to be Indebtedness of Issuer. The Notes shall be special obligations of the Issuer, payable solely from the sources described above. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, 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 pledged therefor by this Resolution.

Section 3.12. Refunding of Notes. In the event proceeds of the grants (other than grants from the West Virginia Infrastructure Fund) for the System, proceeds of revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System issued subsequent to the issuance of the Notes, are not sufficient or available on a timely basis to pay the Notes in full by the maturity date of the Notes, the Issuer covenants and agrees, at the direction of the Authority and the Council, to issue and sell its refunding notes or bonds in an amount sufficient to pay the entire outstanding principal of and interest, if any, accrued on the Notes.

Section 3.13. Prohibition of Other Loans. So long as the Notes are outstanding, no bonds, notes or other evidences of indebtedness secured by or payable from revenues of the System shall be issued by the Issuer without the prior written consent of the Authority and the Council; provided however, that the Issuer may issue refunding notes or bonds secured by or payable from revenues of the System to pay the entire outstanding principal of and interest, if any, accrued on the Notes in full.

Section 3.14. Covenants with Holders of Notes. In order to secure the payment of the Notes, the Issuer hereby covenants and agrees with the Holders of the Notes, as follows:

(A) The Issuer will not make or cause or permit to be made any application of the proceeds of the Notes except in accordance with the provisions of Section 4.01 hereof, or of any moneys held in the Notes Payment Fund except in accordance with the provisions of Section 4.02 hereof.

(B) The Issuer will comply in all respects with the terms and provisions of any grant agreements applicable to the System and with all applicable State and federal laws and regulations governing the implementation of such grant agreements.

(C) The Issuer will, in the event proceeds of the grants for the System and/or proceeds of revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System issued subsequent to the issuance of the Notes, are not sufficient or available to pay the Notes in full by the maturity date of the Notes, issue and sell its refunding notes or bonds, secured by or payable from revenues of the System, and apply the proceeds of its refunding notes or bonds to the payment of the Notes in accordance with the provisions of Section 3.11 hereof.

(D) The Issuer will comply with all the terms and conditions of the Loan Agreement.

Section 3.15. Required Notices to Holders of Notes. The Issuer will provide the Authority and the Council, prompt written notice, appropriately documented, of any of the following events:

(A) If the Issuer is unable or unsuccessful in obtaining permanent financing for the acquisition and construction of the improvements and extensions contemplated by the Project;

(B) Any suspension, termination or modification of any grant;

(C) The authorization by the Issuer of any additional indebtedness related to the System; and

(D) Any activity that would stop the work schedule of the Contract.

## ARTICLE IV

### FUNDS AND ACCOUNTS; APPLICATION OF NOTES PROCEEDS

Section 4.01.      Establishment of Notes Project Fund; Application of Notes Proceeds. There is hereby created and established with the Depository Bank, to be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from all other funds or accounts of the Issuer, the Notes Project Fund. The moneys derived from the sale of the Notes shall be deposited with the Depository Bank in the Notes Project Fund and applied solely to the payment of the costs of the Project and the costs of issuance and related costs, and until so expended, are hereby pledged as additional security for the Notes.

Section 4.02.      Establishment of Notes Payment Fund. There is hereby created and established with the Commission, to be held by the Commission separate and apart from all other funds or accounts of the Commission and from all other funds or accounts of the Issuer, the Notes Payment Fund. Upon receipt of proceeds of any grant for the System, an amount of the proceeds of such grant sufficient to pay the entire outstanding principal of, interest, if any, accrued on the Notes and the Administrative Fee in full shall be deposited in the Notes Payment Fund. In the event proceeds of such grant are not sufficient to pay the Notes in full, then all proceeds of such grant shall be deposited in the Notes Payment Fund to pay a portion of the Notes. Upon the issuance of the revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System an amount of the proceeds of such revenue bonds, refunding bonds or other obligations of the Issuer sufficient to pay the entire outstanding principal of, interest, if any, accrued on the Notes and the Administrative Fee in full shall be deposited in the Notes Payment Fund. All moneys deposited in the Notes Payment Fund shall be immediately paid by the Commission to the Authority in full payment of the entire outstanding principal of, interest, if any, accrued on the Notes and the Administrative Fee and then shall be paid by the Commission to the Paying Agent for charges, if any, for services rendered. Until payment in full of the entire outstanding principal of, interest, if any, accrued on the Notes and the Administrative Fee, all moneys deposited in the Notes Payment Fund shall be held in trust for the Authority, and the Issuer shall have no rights with respect thereto except to receive the balance therein after payment of the Notes in full and the charges, if any, of the Paying Agent.

Any moneys remaining in the Notes Payment Fund, after the payment of the Notes in full and all charges of the Paying Agent, shall be returned to the Issuer to be used for any lawful purpose of the System.

Section 4.03. Investment of Funds. Pending application as provided above, any moneys held in the Notes Project Fund and the Notes Payment Fund shall be invested and reinvested by the Depository Bank and the Commission at the direction of the Issuer to the fullest extent possible under applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof.

## ARTICLE V

### DEFAULT AND REMEDIES

Section 5.01.      Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes in this Resolution, any Supplemental Resolution, or in the Notes, as the case may be, contained, 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, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; or

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

Section 5.02.      Remedies. Upon the happening and continuance of any Event of Default, any Holder of a Note 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 the Holders of the Notes including the right to require the Issuer to perform its duties under the Act and the Notes Legislation relating thereto, (iii) bring suit upon the Notes, (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 Holders of the Notes, and (v) by action or bill in equity enjoin any acts in violation of the Notes Legislation with respect to the Notes, or the rights of the Holders of the Notes.

ARTICLE VI

[RESERVED]

## ARTICLE VII

### MISCELLANEOUS

Section 7.01. Amendment or Modification of Resolution. Prior to issuance of the Notes, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Notes, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Noteholders shall be made without the consent in writing of the Holders of the Notes then Outstanding; provided, that no change shall be made in the maturity of any Note or Notes or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Holder thereof.

Section 7.02. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holder of the Notes, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 7.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution or the Notes.

Section 7.04. 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.

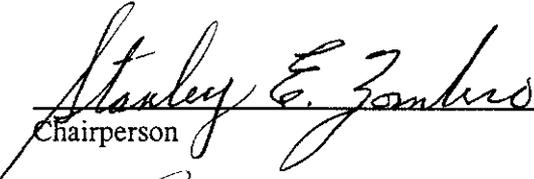
Section 7.05. Conflicting Provisions Repealed. All resolutions, indentures or orders, or parts thereof, in conflict with the provision of this Resolution are, to the extent of such conflict, hereby repealed.

Section 7.06. 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 and passage of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairperson, Secretary and members of the

Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

Adopted this 3rd day of December, 1997.

  
Chairperson

  
Member

  
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Governing Body of  
JEFFERSON COUNTY PUBLIC SERVICE DISTRICT on December 3, 1997.

Dated: December 15, 1997.

[SEAL]

  
Secretary

12/01/97  
450260/97001

226464.2



JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, REDEMPTION PROVISION AND OTHER TERMS OF THE WATERWORKS SYSTEM DESIGN NOTES, SERIES 1997 (WEST VIRGINIA INFRASTRUCTURE FUND), OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTES.

WHEREAS, the public service board (the "Governing Body") of Jefferson County Public Service District (the "Issuer") has duly and officially adopted a Resolution, effective December 3, 1997 (the "Resolution") entitled:

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE TEMPORARY FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$145,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN NOTES, SERIES 1997 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF

AND SECURITY FOR THE HOLDERS OF SUCH NOTES; APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, all capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Resolution when used herein;

WHEREAS, the Resolution provides for the issuance of the Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund) (the "Notes"), of the Issuer, in the aggregate principal amount of not more than \$145,000, and has authorized the execution and delivery of a loan agreement relating to the Notes (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution, it is provided that the principal amount, date, maturity date, interest rate, interest and principal payment dates, redemption provision and other terms of the Notes should be established by a Supplemental Resolution thereto and that other matters relating to the Notes be therein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and entered into by the Issuer, that the principal amount, date, maturity date, interest rate, interest and principal payment dates, redemption provision and other terms of the Notes be fixed hereby in the manner stated herein, and that other matters relating to the Notes be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), of the Issuer, initially represented by a single Note, numbered R-1, in the principal amount of \$145,000, or such lesser amount as shall have been advanced, as set forth in the Record of Advances attached to the Note. The Notes shall be dated the date of delivery thereof and shall bear no interest. The entire outstanding principal shall be payable on December 15, 2000, as set forth in the Notes and "Schedule X" attached to the Loan Agreement. The Notes shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Notes.

Section 2. The Issuer does hereby approve and shall pay the Administrative Fee equal to 3% of the principal amount of the Notes set forth in "Schedule X" attached to the Loan Agreement.

Section 3. All other provisions of the Notes and the text of the Notes shall be in substantially the form provided in the Resolution.

Section 4. The Issuer does hereby ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairperson, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Council and the Authority. The price of the Notes shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Notes shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar"), for the Notes and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Notes, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairperson, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Notes under the Resolution.

Section 7. The Issuer hereby appoints and designates F & M Bank - Blakeley, Ranson, West Virginia, as the Depository Bank under the Resolution.

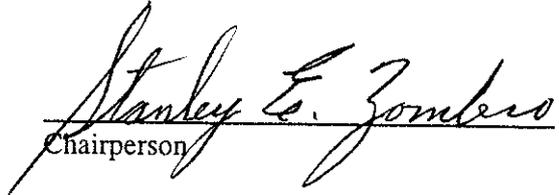
Section 8. All proceeds of the Notes shall be deposited in or credited to the Notes Project Fund as received from time to time for payment of costs of the Project, including costs of issuance of the Notes and related costs.

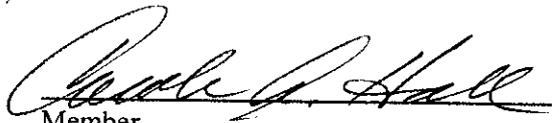
Section 9. The Chairperson and the Secretary are hereby authorized and directed to execute and deliver the Notes and such other documents and certificates required or desirable in connection with the Notes hereby and by the Resolution approved and provided for, to the end that the Notes may be delivered to the Authority on or about December 15, 1997, pursuant to the Loan Agreement.

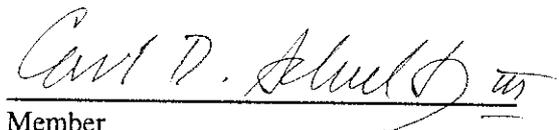
Section 10. The Project and the temporary financing thereof in part with proceeds of the Notes is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 3rd day of December, 1997.

  
Chairperson

  
Member

  
Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Jefferson County Public Service District on the 3rd day of December, 1997.

Dated: December 15, 1997.

[SEAL]

  
Secretary

11/18/97  
450260/97001

226469.1



LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the governmental agency designated below (the "Governmental Agency");

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT  
(Governmental Agency)

WITNESSETH:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the planning, design, acquisition or construction of projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

WHEREAS, pursuant to the Act, the cost of a project includes the cost of preliminary design and analysis, preparation of plans and specifications, and other engineering services;

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 enter into contracts for engineering services and to finance the cost of such engineering services by borrowing money to be evidenced by bonds, notes or other negotiable instruments (hereinafter referred to as the "Notes") issued by the Governmental Agency;

WHEREAS, the Governmental Agency has completed and filed with the Authority an application for a preconstruction engineering services loan with attachments and exhibits (the "Application"), which Application is incorporated herein by this reference;

WHEREAS, the Governmental Agency has entered into a contract for engineering services as set forth in the Application (the "Contract"); and

WHEREAS, having reviewed the Application and made all findings required by the Engineering Design Advance Assistance Funding Program (as hereinafter defined) and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of the Notes of the Governmental Agency with moneys in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Engineering Design Advance Assistance Funding 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," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Notes, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineers engaged by the Governmental Agency to provide engineering services, and designated in the Application, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, and any qualified successor thereto.

1.4 "Contract" means the contract for preconstruction engineering services by and between the Governmental Agency and the Consulting Engineers, and, as necessary, approved by the Public Service Commission.

1.5 "Engineering Design Advance Assistance Funding Program" means the Council's program whereby loans may be made to qualified Governmental Agencies for preconstruction engineering services.

1.6 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.7 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of the Notes pursuant to this Loan Agreement.

1.8 "Local Act" means the resolution, ordinance or other official action of the Governmental Agency required by Section 4.1 hereof, authorizing the issuance of the Notes.

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

1.10 "Notes" means the not more than \$145,000 aggregate principal amount of Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), to be issued by the Governmental Agency.

1.11 "Project" means the proposed facilities the Governmental Agency intends to construct for which the preconstruction engineering services are being contracted.

1.12 "Surplus Revenues" means either gross or net revenues, if any, derived from the System and not required to be set aside and held for the payment of or security for any outstanding bonds or notes of the Governmental Agency, including any reserve or depreciation accounts.

1.13 "System" means the facilities owned or to be owned by the Governmental Agency, of which the Project will constitute all or a part thereof, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

## ARTICLE II

### The Contract

2.1 The Contract shall provide for all preconstruction engineering services necessary for the implementation of the Project, the Authority and Council having found, to the extent applicable, that the Project is consistent with the Act.

2.2 The Governmental Agency shall do all things necessary to acquire the proposed site of the Project and all necessary easements, and shall do all things necessary to acquire and construct the Project in accordance with the plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers pursuant to the Contract.

2.3 The Governmental Agency shall keep complete and accurate records of the cost of the engineering services rendered pursuant to the Contract. 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 Contract 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 request in connection with the Contract and the administration of the Loan or of any State and federal grants or other sources of financing for the Contract.

2.4 The Governmental Agency shall require that the Consulting Engineers furnish all bonds required by law.

2.5 The Governmental Agency shall require that the Consulting Engineers maintain, during the life of the Contract, workers' compensation coverage and all other insurance coverage required by law.

2.6 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Council, the Authority or other State, federal or local bodies in regard to the performance of the Contract.

### ARTICLE III

#### Conditions to Loan; Issuance of Notes

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority and the Council, of each and all of those certain conditions precedent on or before the delivery date for the Notes, 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 Notes described in this Article III and in Article IV hereof;

(c) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC"), as necessary, to enter into the Contract and to borrow funds from the Authority under the terms and conditions of this Loan Agreement, 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;

(d) The Governmental Agency shall have procured the subject engineering services in accordance with Chapter 5G, Article 1 of the Code of West Virginia.

(e) The Governmental Agency shall have obtained any and all approvals for the issuance of the Notes 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 or bond counsel but must be satisfactory to the Authority, to such effect;

(f) The net proceeds of the Notes, together with all moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, in addition to Surplus Revenues of the System, if any, and any amounts the Consulting Engineers shall have agreed to finance from their own funds, shall be sufficient to pay the costs of the Contract as set forth in the Application, and the Authority shall have received evidence satisfactory to the Authority of such irrevocably committed funds.

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 Notes in the principal amount and at the price set forth in Schedule X hereto. The Notes 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 Notes 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 Notes 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 Council for loans to finance preconstruction engineering services related to proposed projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Notes unless and until it has available in the Infrastructure Fund funds sufficient to purchase all the Notes and that, prior to such execution, the Authority may commit to and purchase the notes and/or revenue bonds of other governmental agencies for which it has sufficient funds available.

#### ARTICLE IV

##### Notes; 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 Notes pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted or adopted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

(a) The Governmental Agency hereby pledges the following sources of funds as security for the Notes:

(i) Proceeds of any grants (other than Infrastructure Fund grants) received by the Governmental Agency for the System,

(ii) Proceeds of any revenue bonds, refunding bonds or other obligations of the Governmental Agency, issued subsequent to the issuance of the Notes, and

(iii) Surplus Revenues of the System subject to the lien on said Surplus Revenues established for any debt previously issued by the Governmental Agency.

In the event no grants, other than Infrastructure Fund grants, are received for the System or no revenue bonds, refunding bonds or other obligations of the Governmental Agency are issued by the maturity date of the Notes, and if the Surplus Revenues of the System are inadequate to amortize the Notes over a twenty year period, then the payment of the Notes shall be deferred until the earlier of (i) the date a grant(s), other than Infrastructure

Fund grants, are received for the System, (ii) the date revenue bonds, refunding bonds or other obligations of the Governmental Agency are issued, or (iii) twenty years from the date of issuance of the Notes. In the event a grant(s) other than an Infrastructure Fund grant, is received by the Governmental Agency, or revenue bonds, refunding bonds, or other obligations of the Governmental Agency are issued, the Governmental Agency shall pay the Authority the entire outstanding principal of and interest, if any, accrued to the maturity date of the Notes, from such sources. In the event that the Governmental Agency receives a grant(s) or other non loan funding assistance for the construction of a project to serve the area described in the Application which grant or other funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the net revenues of the system so constructed (or from bond proceeds secured by such revenues) and such repayment shall be amortized for a period not to exceed twenty years. If, on the 20th anniversary of the issuance of the Notes, the Governmental Agency has not received any grants, other than Infrastructure Fund grants, has not issued obligations to repay the Notes and has not constructed any improvements to its System, then the Council shall instruct the Authority to convert the Notes to a grant and cancel the Notes.

In the event Surplus Revenues are available and pledged for the payment of the Notes, the revenues generated from the operation of the System will be used monthly, in the order of priority listed below:

- (i) to pay Operating Expenses of the System,
- (ii) for other legal purposes of the System, including payment of debt service on the Notes and all other outstanding obligations of the Governmental Agency and meeting and maintaining all required reserve accounts and renewal and replacement, or similar accounts, and
- (iii) payment of principal and interest, if any, on the Notes.

Provided, that if the Governmental Agency has existing outstanding indebtedness which requires payments to be made to fund a reserve account, depreciation fund, renewal and replacement fund or similar fund or account, such payments shall be made prior to payment of debt service on the Notes.

(b) The Governmental Agency hereby covenants substantially as follows:

- (i) That the Governmental Agency will, simultaneously with the closing of the Notes, if not executed earlier, enter into the Contract for the design of the Project and, following completion of the design, will use its best efforts to complete the Project and will operate and maintain the System in good condition;

(ii) That the Governmental Agency shall establish or, where appropriate, petition the Public Service Commission to establish rates to provide for revenues sufficient to pay the Notes, and that the Governmental Agency recognizes that any owner of the Notes may by proper legal action compel the performance of the duties of the Governmental Agency under the Local Act, and shall also have, in the event of a default in the payment of principal of and interest, if any, on the Notes, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

(iv) 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;

(v) That for wastewater systems, 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;

(vi) That the proceeds of the Notes must be deposited in a notes project 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 Notes shall have a lien until such proceeds are applied to the payment of the costs of the Contract;

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

(viii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code"), which exception shall be set forth in an opinion of bond counsel, or, at the option of the Authority, the loan is not tax-exempt, 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 or to the effect that no rebate is payable, and, at any time, any additional information requested by the Authority;

(ix) 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 State's general obligation bonds issued to provide moneys for the Infrastructure Fund, or any bonds secured by the Notes;

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

(xi) That the Governmental Agency shall not issue any bonds, notes or other obligations payable from the revenues of the System unless it has received the written consent of the Authority and the Council.

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 Notes shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A.

4.2 The principal of and interest, if any, on the Loan shall be repaid by the Governmental Agency on the days and in the years as provided in Schedule X hereto.

4.3 The Loan shall bear interest, if any, from the dates and at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Notes exceed any statutory limitation with regard thereto.

4.4 The Notes 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 Notes may be issued in one or more series, as reflected by Schedule X hereto.

4.5 The Governmental Agency shall pay to the Authority, for the benefit of the Infrastructure Fund, a one time Administrative Fee of 3% of the original aggregate principal amount of the Note. This Administrative Fee will be added to the principal amount of the Note due on the maturity date thereof.

## 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.

5.2 In the event the Governmental Agency defaults in any amortized payment to the Authority, the amount of such default shall bear interest at the annual rate of 3% on the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.3 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including without limitation the right to an appointment of a receiver.

## ARTICLE VI

### Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby warrants and represents that all information provided to the Authority and the Council in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the costs of the Contract 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 Notes, 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 and the Council by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of this Loan Agreement.

6.2 The Governmental Agency hereby covenants that it will rebate any amounts required by Section 148 of the Code, if applicable, 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 Notes.

6.3 Notwithstanding Section 6.2, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

6.4 The Governmental Agency hereby agrees to give the Authority 90 days prior written notice of the issuance by it of any other obligations to be used to pay costs of the Contract or proposed Project, payable from the revenues of the System or from any grants for the Contract or Project or otherwise related to the Contract, the Project or the System.

## ARTICLE VII

### Miscellaneous

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

7.2 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement and the provisions of the Note.

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 Notes 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 Notes to the Authority;
- (ii) termination by the Authority pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest, if any, on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

(SEAL)

By: Stanley E. Zwickro  
Its: Chairman

Date: December 15, 1997

Attest:

Carol L. Hall  
Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Lyankark  
Director

Date: 12/15/97

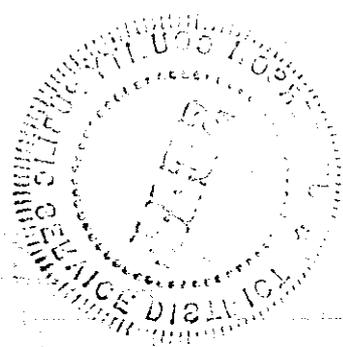
Attest:

Barbara B. Meadows  
Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]



West Virginia Infrastructure and  
Jobs Development Council  
1320 One Valley Square  
Charleston, West Virginia 25301

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

Ladies and Gentlemen:

*Handwritten signature of bond counsel*

We are bond counsel to \_\_\_\_\_ (the  
"Governmental Agency"), a \_\_\_\_\_

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated \_\_\_\_\_, 19\_\_\_\_, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of notes of the Governmental Agency, dated \_\_\_\_\_, 19\_\_\_\_ (the "Notes"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Notes are in the principal amount of \$\_\_\_\_\_, issued in the form of one note, fully registered as to principal and interest to the Authority, with interest and principal payable in quarterly installments on September 1, December 1, March 1 and June 1 of each year, beginning \_\_\_\_\_1, 19\_\_\_\_, at the rate as set forth in Exhibit A incorporated in and made a part of the Notes.

The Notes are issued for the purpose of financing a portion of preliminary engineering and design costs for certain \_\_\_\_\_ (the "Project") and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of \_\_\_\_\_ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the note \_\_\_\_\_ duly enacted by the Governmental Agency on \_\_\_\_\_ (the

"Local Act"), pursuant to and under which Local Statute and Local Act the Notes are authorized and issued, and the Loan Agreement that has been undertaken. The Notes are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency enforceable in accordance with the terms thereof.
2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.
3. The Governmental Agency is a duly organized and presently existing \_\_\_\_\_, with full power and authority to design, construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Notes, all under the Local Statute and other applicable provisions of law.
4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary \_\_\_\_\_ in connection with the issuance and sale of the Notes. The Local Act contains provisions and covenants substantially in the form of those set forth in Article IV of the Loan Agreement.
5. The Notes are valid and legally enforceable special obligations of the Governmental Agency, payable from the proceeds of any grants received by the Governmental Agency for the System, proceeds of any revenue bonds, refunding bonds or other obligations of the Governmental Agency, issued subsequent to the issuance of the Notes, and Surplus Revenues, if any, all in accordance with the terms of the Notes and the Local Act, and have been duly issued and delivered to the Authority.
6. [If required, the Notes are, by statute, exempt \_\_\_\_\_, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Notes is excludable from the gross income of the recipients thereof for Federal income tax purposes.]
7. [The Notes and the interest thereon are, by the Local Statute, exempt from taxation by the State of West Virginia and the other taxing bodies of the State.]

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

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

Very truly yours,

C:\OFFICE\WPWIN\WPDOCS\CLOSED\JEFFERSO.ENG

## SCHEDULE X

### DESCRIPTION OF NOTES

|                           |           |
|---------------------------|-----------|
| Principal Amount of Notes | \$145,000 |
| Purchase Price of Notes   | \$145,000 |

Principal on the Notes is deferred until December 15, 2000, upon which date the entire outstanding principal is due. There is no interest on the Notes.

An Administrative Fee of 3% of the principal amount of the Notes is due and payable on December 15, 2000.

The Notes will be fully registered in the name of the West Virginia Water Development Authority as to principal and such Notes shall grant the Authority a first lien on the proceeds of any grants for the System (other than Infrastructure Fund grants), and/or proceeds of any revenue bonds, refunding bonds or other obligations of the Governmental Agency, issued subsequent to the issuance of the Notes.

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

# SCHEDULE Y

Jefferson County Public Service District

\$145,000 0% Interest. 3 Years  
\$4,350.00 Administrative Fee

## DEBT SERVICE SCHEDULE

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| Date | Principal | Coupon | Administrative<br>Fee | Total |
|------|-----------|--------|-----------------------|-------|
|------|-----------|--------|-----------------------|-------|

---

|                   |         |   |       |         |
|-------------------|---------|---|-------|---------|
| December 15, 2000 | 145,000 | - | 4,350 | 149,350 |
|-------------------|---------|---|-------|---------|



*Forward to Bud Stinet  
Ben Faulkner*

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

**FINAL** 5/19/97  
5-13-97

Entered: April 23, 1997

CASE NO. 97-0128-PSWD-PC

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT  
Petition for approval of engineering  
agreement with Pentree, Incorporated.

RECOMMENDED DECISION

On February 6, 1997, the Jefferson County Public Service District (District) filed a petition for approval of an agreement with Pentree, Incorporated. The engineering agreement provides for the preliminary report, design, construction phases and other associated services for the Blueridge water project (Keyes Ferry Acres and other areas on the east side of the Shenandoah River). On February 20, 1997, the District submitted an addendum to the engineering agreement for Commission approval concerning a water and sewer facilities plan for the Flowing Springs Run and Cattail Run drainage basins.

By Order dated March 3, 1997, this matter was referred to the Division of Administrative Law Judges for a decision be rendered on or before May 16, 1997.

On April 7, 1997, Staff Attorney Ronald E. Robertson, Jr., filed the Final Joint Staff Memorandum to which was attached the Initial and Final Internal Staff Memorandum of Mr. David A. Hippchen, Staff Engineer, Water and Wastewater Division. Mr. Hippchen explained that the agreement provides for a full range of engineering services in conjunction with this major water line extension project. The schedule of services and fees is as follows:

|                                 |               |
|---------------------------------|---------------|
| Study and Report Phase          | \$ 12,750     |
| Mapping and Design Phase        | 280,000       |
| Bidding and Negotiating Phase   | 4,500         |
| Construction Phase              | 66,770        |
| Record Drawings/Project Startup | <u>12,290</u> |
|                                 | \$376,310     |

All of these services and expenses are associated with the Blueridge water project (Keyes Ferry Acres and other unserved and underserved areas on the east side of the Shenandoah River). Funding for the project and the engineering fees will be provided through one or more of the following: the West Virginia Infrastructure and Jobs Development Council, RUS, SRF, EDA, ARC or HUD SCBG. None of the funding has been committed at this time. Design and subsequent services will be provided after commitment of funding. Messrs. Robertson and Hippchen indicated that the affidavit of publication

for the procurement of engineering services and the minutes of the Board meeting selecting the qualified firm were attached to the petition.

With respect to the water/sewer facilities plan for the Flowing Springs Run and Cattail Run drainage basins, Staff noted that the publication submitted in this case addresses feasibility studies generically and this facilities plan represents one component of a countywide study. The two watersheds included in the project represent a current "hotspot" for District development and would appear to be a priority. Fees for the facility plan preparation are payable on a lump sum basis and total \$57,222.50. The District received a grant to cover the fees for this portion of the engineering services, with the work to be completed 90 days after Commission approval.

Since Staff's review found that the District has complied with West Virginia Code §5G-1-3 in soliciting proposals from engineering firms for the agreement and its addendum, it recommends approval of the engineering agreement for the Blueridge water project and the addendum for the water and sewer facilities plan for the Flowing Springs Run and Cattail Run drainage basins with Pentree, Incorporated, pursuant to West Virginia Code §16-13A-25. Staff noted that approval of the engineering agreement does not constitute a waiver of any other statutory requirements such as prefiling and certification.

#### FINDINGS OF FACT

1. On February 6, 1997, the Jefferson County Public Service District filed a petition for Commission approval of an engineering agreement between the District and Pentree, Incorporated. (See, petition).

2. On February 20, 1997, the District submitted an addendum to the engineering agreement for Commission approval concerning a water/sewer facilities plan for the Flowing Springs Run and Cattail Run drainage basins. (See, addendum filed February 20, 1997).

3. In a Final Joint Staff Memorandum filed April 7, 1997, Staff Attorney Ronald E. Robertson, Jr., and Mr. David A. Hippchen, Staff Engineer, Water and Wastewater Division, explained that, based upon its review, the District has complied with West Virginia Code §5G-1-3 concerning soliciting proposals from engineering firms for the agreement and the addendum, the engineering agreement for the Blueridge water project and the addendum for the Cattail Run drainage basins between the District and Pentree, Incorporated, should be approved pursuant to West Virginia Code §16-13A-25. Staff observed that there were no issues that would warrant a public hearing in this case. (See, Final Joint Staff Memorandum and attachment filed April 7, 1997).

#### CONCLUSION OF LAW

The Administrative Law Judge is of the opinion and finds that it is reasonable and appropriate to grant the Jefferson County Public Service District the necessary approval to enter into the described engineering agreement and its addendum filed February 6 and February 20, 1997, between the District and Pentree, Incorporated, without need for a hearing. The Commission's approval of the engineering agreement shall not waive any

filing requirements or constitute any prior approval or prejudgment of any related certificate application that is to be filed with the Commission in accordance with the provisions of West Virginia Code §16-13A-25 and §24-2-11.

ORDER

IT IS, THEREFORE, ORDERED that the Jefferson County Public Service District is hereby granted the Commission's consent and approval to enter into the proposed engineering agreement and addendum with Pentree, Incorporated, as filed on February 6, 1997, and February 20, 1997, respectively.

IT IS FURTHER ORDERED that the Commission's approval of the engineering agreement and its addendum shall not waive any filing requirements or constitute any prior approval or prejudgment of any associated certificate application which is to be filed with the Commission in accordance with the provisions of West Virginia Code §16-13A-25 and §24-2-11.

IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

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.

  
Robert W. Glass

Administrative Law Judge

RWG:mal

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

FINAL

9-17-97

Entered: August 28, 1997

CASE NO. 97-0956-PSWD-PC

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT  
Petition for approval of funding for  
engineering services.

RECOMMENDED DECISION

On July 29, 1997, Jefferson County Public Service District (District) filed a petition seeking Commission consent and approval to enter into a loan agreement with the West Virginia Infrastructure and Jobs Development Council (Council) to provide financing assistance to the District for preconstruction engineering services in the amount of \$145,000 in the form of a deferred loan. By Recommended Decision entered in Case No. 97-0128-PSWD-PC, on April 23, 1997, which became final on May 13, 1997, an agreement between the District and Pentree, Incorporated, for the provision of engineering services for the design of the District's Blue Ridge Acres water project was approved. By letter dated May 12, 1997, (attached to and made a part of the District's petition as Exhibit 1), the Council approved funding for preconstruction engineering services related to the proposed water project in the amount of \$145,000, which is the maximum amount allowed under the Council's Engineering Design Advance Funding Assistance Program. The Council's funding will be in the form of a deferred loan obligation to be repaid with the project's permanent financing. Article IV, Section 4.1(a)(iii) of the Loan Agreement provides that, should the District be unable to repay the loan by the end of twenty (20) years, the loan shall be converted into a grant and the loan shall be cancelled. The Council's May 12, 1997 letter also stipulated that the subject design loan commitment in no way guaranteed the availability of funds for construction of the proposed water project.

On August 8, 1997, Staff Attorney Ronald E. Robertson, Jr., filed an Initial and Final Joint Staff Memorandum. An Initial and Final Internal Memorandum dated August 6, 1997, from Robert M. Hubbard, Senior Utilities Analyst, Water and Wastewater Division, was attached thereto. Both of these Memoranda recommended approval of the District's \$145,000 loan from the Council.

By Order dated August 18, 1997, this matter was referred to the Division of Administrative Law Judges for decision and it was ordered that

Administrative Law Judge's decision be rendered on or before February 24, 1998.

#### FINDINGS OF FACT

1. On July 29, 1997, Jefferson County Public Service District filed a petition seeking Commission consent and approval to enter into a loan agreement with the West Virginia Infrastructure and Jobs Development Council to provide financing assistance to the District for preconstruction engineering services in the amount of \$145,000, in the form of a deferred loan. (See, July 29, 1997 filing).

2. Commission Staff recommended that the District's proposed loan from the Council be approved. (See, Initial and Final Joint Staff Memorandum and attachment filed August 8, 1997).

#### CONCLUSION OF LAW

Upon consideration of all of the above, the undersigned Administrative Law Judge is of the opinion that the proposed loan agreement between Jefferson County Public Service District and the West Virginia Infrastructure and Jobs Development Council to provide financing assistance to the District for preconstruction engineering services in the amount of \$145,000, in the form of a deferred loan, should be approved.

#### ORDER

IT IS, THEREFORE, ORDERED that the petition filed herein on July 29, 1997, by Jefferson County Public Service District seeking Commission consent and approval to enter into a loan agreement with the West Virginia Infrastructure and Jobs Development Council to provide financing assistance to the District for preconstruction engineering services associated with its proposed Blue Ridge Acres water project, in the amount of \$145,000, in the form of a deferred loan, be, and hereby is, granted, without specifically approving the terms and conditions thereof.

IT IS FURTHER ORDERED that this matter be, and hereby is, dismissed and removed from the Commission's docket of open cases.

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.



Melissa K. Marland  
Chief Administrative Law Judge

MKM:JPC:jas





# West Virginia Infrastructure & Jobs Development Council

**Public Members:**

Russell L. Isaacs, Chairman  
Cottagville  
James D. Williams, Vice-Chairman  
St. Albans  
Lloyd P. Adams, P.E.  
Wheeling  
James L. Harrison, Sr.  
Princeton

1320 One Valley Square  
Charleston, West Virginia 25301  
Telephone: (304) 558-4607  
Facsimile: (304) 558-4609

Susan J. Riggs, Esquire  
Executive Secretary

May 12, 1997

Stanley D. Zombro, Chairman  
Jefferson County Public Service District  
210 West Third Ave.  
Ranson, WV 25438

Re: Engineering Design Advance Funding Assistance Request  
Blue Ridge Acres Water System Project 96W-279

Dear Mr. Zombro:

The West Virginia Infrastructure and Jobs Development Council (Council), at its May 7, 1997 meeting, considered the Jefferson County Public Service District's request, made pursuant to the Council's Engineering Design Advance Funding Assistance Program (Program), for funding of \$196,000 to pay for preconstruction engineering services related to its proposed project for a water extension to the Blue Ridge Acres area. The Council approved funding in the amount of \$145,000, which is the maximum amount allowed under the Program.

The Council understands that the District does not currently have any customers. Accordingly, the Council's funding will be in the form of a deferred loan obligation, to be repaid with the project's construction financing.

With regard to the construction financing of the proposed project, by letter dated January 13, 1997, the Council notified the District that it may be eligible for Infrastructure Fund assistance of approximately \$5,592,767. This is to put the District on notice that the funds in the Infrastructure Fund are limited, and there is a possibility that at the time the District's project is designed and ready to proceed to construction, Infrastructure Fund dollars, particularly grant dollars, may not be available for the project. The subject design loan commitment in no way guarantees the availability of funds for construction of the project.

Infrastructure Fund administered by the Water Development Authority

5

Stanley D. Zombro, Chairman  
May 12, 1997  
Page 2

Enclosed for your review is the Council's loan agreement for the proposed funding. The Council will enter into the appropriate closing documents with the District following receipt of a final nonappealable order from the Public Service Commission authorizing the proposed borrowing and approving the proposed engineering agreement, and any other documentation which may be requested by the Council. If you have any questions regarding this matter, please contact Susan J. Riggs, Executive Secretary of the Council, at (304) 558-4607.

Sincerely,



Russell L. Isaacs

RLI/bh

cc: Mark D. Turner, P.E.



JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR NOTE AND NOTE PROCEEDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the undersigned Chairperson of the Public Service Board of Jefferson County Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

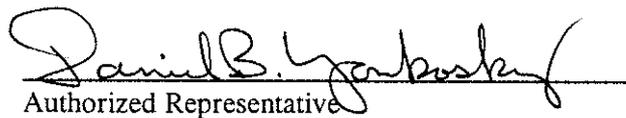
I. On the 15th day of December, 1997, the Authority received the entire original issue of Jefferson County Public Service District Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), No. R-1, issued as a single, fully registered Note, in the principal amount of \$145,000, dated December 15, 1997 (the "Notes").

1. At the time of such receipt, the Notes had been executed and sealed by the designated officials of the Issuer.

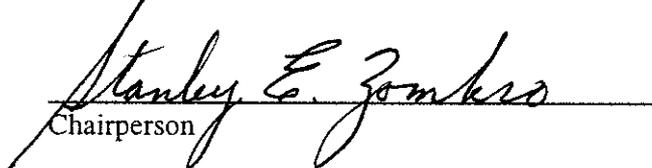
2. The Issuer has received and hereby acknowledges receipt from the Authority and the Council of the sum of \$145,000, being the initial advance of principal of the Notes. Additional advances of the balance of the principal amount of the Notes will be requested by the Issuer and made by the Authority and the Council as the Project progresses.

WITNESS our respective signatures on this 15th day of December, 1997.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

  
Authorized Representative

JEFFERSON COUNTY PUBLIC  
SERVICE DISTRICT

  
Chairperson

11/20/97  
450260/97001

226528.1



JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER NOTE

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

Ladies and Gentlemen:

There are delivered to you herewith as Registrar for the above-captioned  
Notes:

(1) Note No. R-1, constituting the entire original issue of the Jefferson County Public Service District Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), in the principal amount of \$145,000, dated December 15, 1997 (the "Notes"), executed by the Chairperson and the Secretary of Jefferson County Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Notes are authorized to be issued under and pursuant to a Notes Resolution duly adopted by the Issuer on December 3, 1997, and a Supplemental Resolution duly adopted by the Issuer on December 3, 1997 (collectively, the "Notes Legislation");

(2) A copy of the Notes Legislation duly certified by the Secretary of the Issuer;

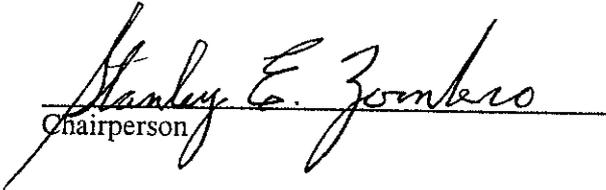
(3) Executed counterparts of the loan agreement dated December 15, 1997 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Notes.

You are hereby requested and authorized to authenticate, register and deliver the Notes to the Authority, upon payment to the Issuer of the sum of \$145,000 representing the initial advance of principal of the Notes.

Dated this 15th day of December, 1997.

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

  
Chairperson

12/01/97  
450260/97001

226495.2



[SPECIMEN NOTE]

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
JEFFERSON COUNTY PUBLIC SERVICE DISTRICT  
WATERWORKS SYSTEM DESIGN NOTE, SERIES 1997  
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R-1

\$145,000

KNOW ALL MEN BY THESE PRESENTS: That JEFFERSON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, on the 15th day of December, 2017, the principal sum of One Hundred Forty-Five Thousand Dollars (\$145,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the Record of Advances attached hereto and incorporated herein by reference as a part hereof, with no interest. The Administrative Fee (as defined in the hereinafter described Notes Legislation) in the amount of 1% as set forth in the Loan Agreement (as hereinafter defined) shall also be payable on the 15th day of December, 2017.

The principal of this Note and the Administrative Fee are payable in any coin or currency which on the date of payment thereof 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 Note may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated December 15, 1997, by and between the Issuer and the Authority, on behalf of the Council.

This Note is issued (i) to temporarily finance a portion of the costs of design of certain improvements and extensions to the existing public waterworks system of the Issuer (the design of the aforementioned improvements and extensions is herein referred to as the "Project", and the existing public waterworks system of the Issuer, together with any further additions, betterments and improvements thereto, including those contemplated by the Project, are collectively referred to as the "System") and (ii) to pay the costs of issuance hereof and related costs. This Note 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 9A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Notes Resolution duly adopted by the Issuer on December 3, 1997, and a Supplemental Resolution duly adopted by the Issuer on December 3, 1997 (collectively, the "Notes Legislation"), and is subject to all

the terms and conditions thereof.

The principal of this Note is payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; and (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System issued subsequent to the issuance of this Note. The moneys from these sources shall be deposited into the Notes Payment Fund established under the Notes Legislation for the prompt payment of the principal of this Note. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued by the maturity date of the Notes, the payment of the Notes shall be deferred until the earlier of (i) the date any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System, (ii) the date any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued or (iii) 20 years from the date of issuance of the Notes. In the event any grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or any revenue bonds, refunding bonds or other obligations of the Issuer, secured by or payable from revenues of the System, are issued, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date of the Notes from the proceeds thereof. In the event the Issuer receives a grant (other than a grant from the West Virginia Infrastructure Fund) or other non-loan funding assistance for the acquisition and construction of a project to serve the area described in the application to the Council, which grant or other non-loan funding assistance may not be used to pay the Notes, then the Notes shall be repaid from the Net Revenues generated from the project constructed from such grant or other non-loan funding assistance (or from bond proceeds secured by such Net Revenues) and such repayment shall be amortized for a period not to exceed 20 years, provided that the holders of any outstanding debt secured by the System shall consent to the payment of the Notes from the Net Revenues generated from the project, as required. In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received for the System or no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued or no project has been acquired or constructed by the Issuer within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

This Note does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the Issuer be obligated to pay the same except from the sources set forth above. Under the Notes Legislation, the Issuer has entered into certain covenants with the Authority, for the terms of which reference is made to the Notes Legislation. Remedies provided the Authority are exclusively as provided in the Notes Legislation, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth herein, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Note is transferable, as provided in the Notes

Legislation, only by transfer of registration upon the books of One Valley Bank, National Association, West Virginia, as registrar (the "Registrar"), to be made at the request of the registered owner hereof in person or by his attorney duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

All moneys received from the sale of this Note shall be applied solely to the payment of the costs of design of the Project and the costs of issuance and related costs described in the Notes 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 Note.

Under the Act, this Note is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the Notes, together with all other obligations of the Issuer, do not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

This Note shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, JEFFERSON COUNTY PUBLIC SERVICE DISTRICT has caused this Note to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Note to be dated December 15, 1997.

[SEAL]

\_\_\_\_\_  
Chairperson

Attest:

\_\_\_\_\_  
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Note is one of the Notes described in and issued under the provisions of the within-mentioned Notes Legislation and has been duly registered in the name of the registered owner set forth above.

Date: December 15, 1997

ONE VALLEY BANK, NATIONAL ASSOCIATION  
Registrar

\_\_\_\_\_  
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within-mentioned Note and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer said Note on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_

IN THE PRESENCE OF:

\_\_\_\_\_

RECORD OF ADVANCES

| <u>AMOUNT</u>     | <u>DATE</u> | <u>AMOUNT</u> | <u>DATE</u> |
|-------------------|-------------|---------------|-------------|
| (1) \$ 145,000.00 | 12/15/97    | (7) \$        |             |
| (2) \$            |             | (8) \$        |             |
| (3) \$            |             | (9) \$        |             |
| (4) \$            |             | (10) \$       |             |
| (5) \$            |             | (11) \$       |             |
| (6) \$            |             | (12) \$       |             |

TOTAL                    \$ 145,000.00



# STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

December 15, 1997

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

RILEY BUILDING, FOURTH FLOOR  
14TH AND CHARLINE STREETS  
P. O. BOX 180  
WHEELING, W. VA. 26003-0020  
(304) 233-0000  
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK  
200 STAR AVENUE, SUITE 220  
P. O. BOX 628  
PARKERSBURG, W. VA. 26102-0628  
(304) 422-6463  
FACSIMILE (304) 422-6462

WRITER'S DIRECT DIAL NUMBER

Jefferson County Public Service District  
Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

West Virginia Water Development Authority  
180 Association Drive  
Charleston, West Virginia 25311-1571

West Virginia Infrastructure and  
Jobs Development Council  
980 One Valley Square  
Charleston, West Virginia 25301

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Jefferson County Public Service District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$145,000 Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), dated the date hereof (the "Notes").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated December 15, 1997, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Notes, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Notes are originally issued in the form of one Note, registered as to principal to the Authority, with no interest, and the entire outstanding principal of the Notes shall be payable on December 15, 2000, all as set forth in the Notes and "Schedule X" attached to the Loan Agreement.

The Notes are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) temporarily financing a portion of the costs of design of certain improvements and extensions to the

existing public waterworks system of the Issuer (the design of the aforementioned improvements and extensions is herein referred to as the "Project"); and (ii) paying costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Notes Resolution duly adopted by the Issuer on December 3, 1997, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 3, 1997 (collectively, the "Notes Legislation"), pursuant to and under which Act and Resolution the Notes are authorized and issued, and the Loan Agreement has been entered into. The Notes 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 Resolution 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, that:

1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with corporate power and authority to adopt the Notes Legislation, to proceed with the Project and to issue and sell the Notes, all under the Act and other applicable provisions of law.

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

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

4. The Notes 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 only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; and (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System issued subsequent to the issuance of the Notes, all in accordance with the terms of the Notes and the Notes Legislation.

5. The Notes have not been issued on the basis that the interest thereon, if any, is or will be excluded from gross income for federal income tax purposes; therefore, the interest, if any, on the Notes is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

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

7. The execution and delivery of the Notes and the Loan Agreement and the consummation of the transactions contemplated by the Notes, the Loan Agreement and the Notes

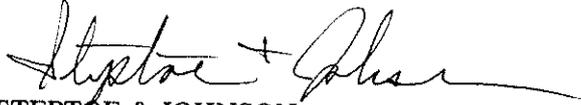
Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

8. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations required by law for the creation and existence of the Issuer, the issuance of the Notes and the design of the Project, including, without limitation, all requisite orders, certificates and approvals from The County Commission of Jefferson County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on May 13, 1997, Case No. 97-0128-PSWD-PC, which among other things, approved the Project and the Final Order of the Public Service Commission of West Virginia entered on September 17, 1997, Case No. 97-0956-PSWD-PC, among other things, approving the issuance of the Notes. The time for rehearing and appeal of each of the aforementioned Final Orders has expired prior to the date hereof.

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

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

Very truly yours,

  
STEPTOE & JOHNSON

12/12/97  
450260/97001

226500.2



LAW OFFICES  
**NICHOLS & SKINNER, L. C.**

P. O. BOX 487  
115 EAST WASHINGTON STREET  
CHARLES TOWN, WV 25414-0487

(304) 725-7029  
FAX (304) 725-4082

F. DEAN NICHOLS (1922-1990)  
JOHN C. SKINNER, JR.  
F. SAMUEL BYRER  
DEBORAH BARR HILLYARD  
STEPHEN GIBSON SKINNER

MAILING ADDRESS:  
P. O. BOX 487  
CHARLES TOWN, WV 25414-0487

December 15, 1997

Jefferson County Public Service District  
Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

West Virginia Water Development Authority  
180 Association Drive  
Charleston, West Virginia 25311-1571

West Virginia Infrastructure and  
Jobs Development Council  
980 One Valley Square  
Charleston, West Virginia 25301

Steptoe & Johnson  
Post Office Box 2190  
Clarksburg, West Virginia 26302

Ladies and Gentlemen:

We are counsel to Jefferson County Public Service District, a public service district in Jefferson County, West Virginia (the "Issuer"), in connection with the issuance and sale of the above-captioned notes (the "Notes"). As such counsel, we have reviewed copies of the approving opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated December 15, 1997, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of West Virginia Infrastructure and Jobs Development Council (the "Council"), the Notes Resolution duly adopted by the Issuer on December 3, 1997, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 3, 1997 (collectively, the "Notes Legislation"), and other documents, papers, agreements, instruments and certificates relating to the Notes and orders of The County Commission of Jefferson County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Notes Legislation and the Loan Agreement when used herein.

10

We are of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Notes Legislation has been duly adopted by the Issuer and is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.
4. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.
5. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Notes and the Notes Legislation, the design of the Project, the validity of the Notes or pledge of the funds set forth in the Notes Legislation.

Very truly yours,

NICHOLS & SKINNER, L. C.



John C. Skinner, Jr.

JCS, JR./deb

File No. 4394-10

Z:\N&SFiles\JCS\UCPSD\opinion letter.wpd



JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. MEETINGS, ETC.
8. LOAN AGREEMENT
9. SIGNATURES AND DELIVERY
10. NOTE PROCEEDS
11. SPECIMEN NOTE
12. CONFLICT OF INTEREST

We, the undersigned Chairperson and Secretary of Jefferson County Public Service District in Jefferson County, West Virginia (the "Issuer"), and the undersigned Counsel to the Issuer, hereby certify in connection with the \$145,000 principal amount of Jefferson County Public Service District Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), dated the date hereof (the "Notes"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning set forth in the Notes Resolution of the Issuer duly adopted December 3, 1997, and the Supplemental Resolution duly adopted December 3, 1997 (collectively, the "Note Legislation").

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 Notes, the design of the Project, or in any way contesting or affecting the validity of the Notes, or any proceedings of the Issuer taken with respect to the issuance or sale of the Notes, the pledge or security provided for the payment of the Notes or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Notes, the Project, the pledge or security provided for the payment of the Notes.

3. **GOVERNMENTAL APPROVALS:** All applicable and necessary approvals, permits, licenses, orders, authorizations, registrations, exemptions, consents and certificates required by law for the creation and existence of the Issuer, the issuance of the

Notes and the design of the Project, including, without limitation, all requisite orders, certificates and approvals from The County Commission of Jefferson County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, have been duly and timely obtained and remain in full force and effect. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on May 13, 1997, Case No. 97-0128-PSWD- PC, among other things, approving the Project and the Final Order of the Public Service Commission of West Virginia entered on September 17, 1997, in Case No. 97-0956-PSD-PC, among other things, approving the issuance of the Notes. The time for rehearing and appeal of each of the aforementioned Final Orders has expired prior to the date hereof. Counsel to the Issuer makes no certification as to this paragraph.

4. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement entered into by and between the Issuer and the Authority, on behalf of the Council. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary for the Project.

There are no outstanding bonds or other obligations of the Issuer which will rank senior and prior to or on a parity with the Notes as to liens, pledge and source of and security for payment. The Notes shall be payable only from and secured by a first lien on (1) the proceeds of any grants (other than grants from the West Virginia Infrastructure Fund) received by the Issuer for the System; and (2) the proceeds of any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System issued subsequent to the issuance of the Notes. The Issuer has no obligations outstanding which are payable from any source from which the Notes are payable.

In the event no grants (other than grants from the West Virginia Infrastructure Fund) are received by the Issuer for the System or no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued by the maturity date of the Notes, the payment of the Notes shall be deferred until the earlier of (i) the date of issuance of any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System, or (ii) 20 years from the date of issuance of the Notes. In the event any revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from revenues of the System are issued within 20 years from the date of issuance of the Notes, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date of the Notes from the proceeds thereof. In the event no revenue bonds, refunding bonds or other obligations of the Issuer secured by or payable from the revenues of the System are issued within 20 years from the date of issuance of the Notes, the Council shall authorize the Authority to convert the Notes to a grant and cancel the Notes.

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

Notes Resolution

Supplemental Resolution

Loan Agreement

Infrastructure Council Approval

County Commission Orders on Creation and Expansion of Service Authority of District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting January 8, 1997, and Subsequent Meeting on September 10, 1997.

Minutes on Adoption of Notes Resolution and Supplemental Resolution

Public Service Commission orders entered May 13, 1997, and September 17, 1997.

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

| <u>Name</u>          | <u>Date of Commencement of Office</u> | <u>Date of Termination of Office</u> |
|----------------------|---------------------------------------|--------------------------------------|
| Stanley E. Zombro    | December 7, 1995                      | December 1, 2001                     |
| Carole A. Hall       | December 2, 1993                      | December 2, 1999                     |
| Carl D. Schultz, III | August 28, 1997                       | December 1, 1997                     |

The duly elected, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 1997 are as follows:

|           |   |                      |
|-----------|---|----------------------|
| Chairman  | - | Stanley E. Zombro    |
| Secretary | - | Carole A. Hall       |
| Treasurer | - | Carl D. Schultz, III |

The duly appointed and acting Counsel to the Issuer is Nichols & Skinner, L.C., Charles Town, West Virginia.

7. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Notes and the design and financing of the Project 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 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.

8. 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.

9. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairperson did officially sign all of the Notes of the aforesaid issue, consisting upon original issuance of a single Note, dated the date hereof, by his manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer

to be affixed upon the Notes and to be attested by his manual signature, and the Registrar did officially authenticate and deliver the Notes to a representative of the Authority as the original purchaser of the Notes under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

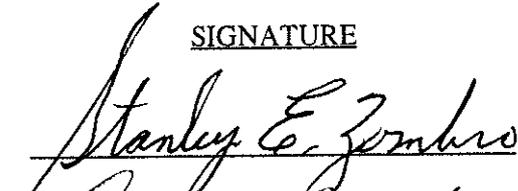
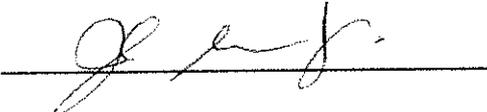
10. NOTE PROCEEDS: On the date hereof, the Issuer received \$145,000 from the Authority and the Council, being the initial advance of principal of the Notes. Additional advances of the balance of the principal amount of the Notes will be requested by the Issuer and made by the Authority and the Council as the Project progresses.

11. SPECIMEN NOTE: Delivered concurrently herewith is a true and accurate specimen of the Note.

12. 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 Notes, the Note Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

WITNESS our signatures and the official seal of JEFFERSON COUNTY  
PUBLIC SERVICE DISTRICT on this 15th day of December, 1997.

[CORPORATE SEAL]

| <u>SIGNATURE</u>  | <u>OFFICIAL TITLE</u> |
|---|-----------------------|
| <br>_____  | Chairperson           |
| <br>_____  | Secretary             |
| <br>_____ | Counsel to Issuer     |

12/01/97  
4500260/97001



JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

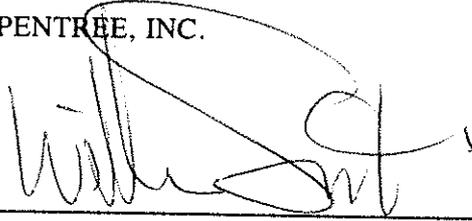
I, Wilbur Smith, Registered Professional Engineer, West Virginia License No.9046 of Pentree, Inc., in Princeton, West Virginia, hereby certify as follows:

1. My firm is engineer for the design of certain improvements and extensions to the existing public waterworks facilities (the design of the aforementioned improvements and extensions is herein referred to as the "Project") of Jefferson County Public Service District (the "Issuer"), to be constructed primarily in Jefferson County, West Virginia, which design is being temporarily financed in part by the proceeds of the above-captioned notes (the "Notes") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Notes Resolution adopted by the Issuer on December 3, 1997, and the Supplemental Resolution adopted by the Issuer on December 3, 1997, and the Loan Agreement dated December 15, 1997 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council").
2. The Notes are being issued for the purposes of (i) temporarily financing a portion of the costs of the Project; and (ii) paying costs of issuance and related costs.
3. The undersigned hereby certifies that (i) the Project will be completed by my firm as described in the application submitted to the Authority and the Council, requesting the Authority to purchase the Notes (the "Application"), (ii) the improvements and extensions to the existing public waterworks facilities of the Issuer which will be designed as a result of the Project will be adequate for the purpose for which they will be designed and when constructed, will have a useful life of at least forty years, (iii) prior to construction, the undersigned will assist the Issuer in obtaining all permits required by the laws of the State of West Virginia and the United States necessary for the construction and acquisition of the improvements and extensions contemplated by the Project and the operation of the System, (iv) the net proceeds of the Notes, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto, are sufficient to pay the costs of the Project, other than the amount deferred by the Consulting Engineer, as set forth in the Application, and (v) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature and seal on this 15th day of December, 1997.

[SEAL]

PENTREE, INC.

A handwritten signature in black ink, appearing to read 'Wilbur Smith', written over a horizontal line. The signature is stylized and somewhat cursive.

Wilbur Smith, P.E.

West Virginia License No. 9046

12/01/97  
450260/97001

226537.2

**WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL**

**SCHEDULE B**

Jefferson County Public Service District  
Blue Ridge Water Project

**FINAL TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING**

| A. Cost of Project   | Total   |
|--|---------|
| 1. Construction Based on Actual Bids                             |         |
| 2. Technical Services - Design & Bidding                         | 297,250 |
| 3. Legal & Fiscal  |         |
| 4. Administrative  |         |
| 5. Sites and Other Lands   |         |
| 6. Step I or II or Other Loan Repayments                         |         |
| 7. Interim Financing Costs                                       |         |
| 8. Contingency   |         |
| 9. Total of Lines 1 through 8                                    | 297,250 |
| <b>B. Sources of Funds</b>                                       |         |
| 10. Federal Grants:  |         |
| a.   |         |
| b.   |         |
| 11. State Grants:  |         |
| a.   |         |
| b.   |         |
| 12. Other Grants:  |         |
| 13. Any Other Source: (1)  |         |
| a. Pentree, Inc.   | 156,000 |
| b.   |         |
| 14. Infrastructure Fund Grant                                    |         |
| 15. Total of Lines 10 through 14                                 |         |
| 16. Net Proceeds Required from Bond Issue (Line 9 minus Line 15) | 141,250 |
| <b>C. Cost of Financing</b>                                      |         |
| 17. Funded Reserve Account (2)                                   |         |
| 18. Other Costs (3)  |         |
| a. Bond Counsel  | 3,500   |
| b. Registrar   | 250     |
| 19. Total Cost of Financing (Lines 17 and 18)                    |         |
| 20. Size of Bond Issue (Line 16 plus Line 19)                    | 145,000 |

*Stanley E. Zombro*  
 GOVERNMENTAL AGENCY  
 12-10-97  
 DATE

*[Signature]*  
 CONSULTING ENGINEER  
 11/21/07  
 DATE

- (1) Include the proceeds of any parity or subordinate bond issue to be used for such purpose attach supporting documentation.
- (2) Consult with bond counsel and the Council before assuming a funded reserve.
- (3) For example, fees of accountants, bond counsel and local counsel for the Governmental Agency



REGULAR TERM: (Board of Equalization and Review)

FEBRUARY 22, 1983

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

The session of the Board of Equalization and Review, continued and held at the Courthouse thereof on Tuesday, February 22, 1983, beginning at 1:30 o'clock P.M.

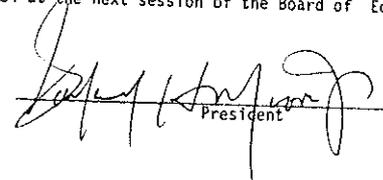
PRESENT: Garland H. Moore, Jr., President;  
Charles B. Clendening, III; Henry M. Snyder, Jr.;  
Gary L. Phalen; Robert D. Ott, Commissioners.

In re: PETITION BY 84 LUMBER COMPANY - BY ROBERT WILLINGHAM, AGENT FOR M. F. POER & CO. - NO CHANGE IN ASSESSMENT  
Motion by Snyder, second by Phalen to inform Mr. Robert Willingham, Agent for M. F. Poer & Co., on behalf of 84 Lumber Company, that the Board determined that there be no change in assessment of the 4.139 Acres Shendo at this time. Motion carried.

In re: PETITION BY GUILFORD TURNER - DECREASE IN ASSESSMENT MADE  
Motion by Phalen, second by Ott to inform Mr. Guilford Turner that upon review of the Two Acres, Mt. Turner that the 1983 assessed value of property be decreased to \$1,000.00. Motion carried.

In re: COMPUTER SOFTWARE BID AWARDED - AUTOMATION COUNSELORS, INC.  
Motion by Snyder, second by Ott to authorize the President of the Commission to sign the contract with Automation Counselors, Inc. for the provision of electronic data processing software, as this proposal provides the Commission with the necessary equipment within an acceptable time span and at the lowest overall cost to the County. Motion carried.

Upon rising, the Board adjourned, to meet again on in 1984 at the next session of the Board of Equalization and Review.

  
President

REGULAR TERM:

FEBRUARY 24, 1983

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

At a Regular Term of the County Commission of said County and State, continued and held at the Courthouse thereof on Thursday, March 24, 1983, beginning at 9:30 o'clock A.M.

PRESENT: Garland H. Moore, Jr., President;  
Charles B. Clendening, III; Henry M. Snyder, Jr.  
Gary L. Phalen; Robert D. Ott, Commissioners.

In re: SURPLUS TAX REFUND  
Motion by Ott, second by Snyder to approve the following Surplus Tax Refund. Motion carried.

SURPLUS TAX REFUND

It appearing that on the 9th day of November, 1981, the Sheriff of said County, at a tax sale of Delinquent Lands, sold for delinquent and unpaid real estate taxes for the year of 1980 Parcel(s) of land assessed on the Tax Records of Jefferson County, WV, as 1 Lt. 1, Sec. 1, #10 Hidden River, Middleway District, Jefferson County, West Virginia; that at the time of said tax sale the taxes were charged to Glenn R. and Rosalie T. Logan; that at the time of said sale the taxes, interest and charges thereon were \$41.70; that as a result of said sale there is a surplus of \$1,258.30 in excess of the taxes, interest, and charges due thereon,

Therefore it is ordered, in pursuance of Chapter 11A, Article 3, Section 37 of the West Virginia Code of 1931, as amended, that the Sheriff of Jefferson County, WV, do pay to Glenn R. and Rosalie T. Logan the sum of \$1,258.30, that being the surplus paid to the Sheriff at said tax sale.

Enter this 24th day of February, 1983.

In re: BIDS RECEIVED - REPRODUCTION OF COUNTY CLERK'S RECORD BOOKS - HULTMAN AND AUTOMATION INDUSTRIES, INC. (VITRO)  
Motion by Phalen, second by Snyder to accept for review and comparison the following bids for the reproduction of record books in the County Clerk's Office. Motion carried.

Hultman - 31,016 pages @ \$.33 per page = \$10,235.00

Vitro - 1) Microfilm, electrostatic prints, binding - \$.223

2) Binders - \$105.00 Each

3) Director 18" X 24" Electrostatic Prints from Oversize Plats = \$1.25 Each

In re: PRE-AUTHORIZATION OF CHECKS FOR CRUISERS, UPON ARRIVAL  
Upon request of the Sheriff, motion by Snyder, second by Clendening to authorize the President of the Commission to sign a check for the purchase of two Sheriff's Department cruisers (previously approved), upon their arrival. Motion carried.

In re: PUBLIC HEARING SCHEDULED FOR PROPOSED JEFFERSON COUNTY PUBLIC SERVICE DISTRICT - ORDER APPROVED

Motion by Phalen, second by Clendening to adopt the following Order and to advertise for a public hearing scheduled for Thursday, March 31, 1983 at 7:00 P.M. in the County Courtroom for the purpose of establishing a Jefferson County Public Service District. Motion carried.

ORDER

The County Commission of Jefferson County, West Virginia, is of the opinion that in order to preserve the public health, comfort and convenience of the general public of Jefferson County, West Virginia, do hereby propose the creation of a public service district for the purpose of providing sewage service for the general public within Jefferson County, West Virginia, as authorized by Chapter 16, Article 13A of the West Virginia Code, as last amended, to be known as the Jefferson County Public Service District.

That the territory to be embraced by the proposed District shall be all land within the boundaries of Jefferson County, West Virginia, less however, those sewage authorities within any incorporated municipality within the County, unless the governing body of any such municipality shall adopt a resolution consenting to be included within the proposed public sewer district, and that area covered by the existing public service district of Harpers Ferry-Bolivar Public Service District presently authorized to operate sewage service in Jefferson County; provided, however, that any of the public sewage service districts presently authorized to operate in Jefferson County, but not presently furnishing sewage services, may become a part of the area to be serviced by this proposed Public Sewage Service District.

Further, it is the desire of the Jefferson County Commission to proceed as soon as possible to comply with the laws of the State of West Virginia in creating the Jefferson County Public Service District and it is so ORDERED that a public hearing be held on the 31st day of March, 1983, at 7:00 o'clock P.M. at the Jefferson County Courthouse and that notice of such public hearing be published as provided by law.

In re: LIST OF COUNTY-OWNED EQUIPMENT TO EMERGENCY SERVICES ADVISORY COUNCIL

Upon request of the Emergency Services Advisory Council, motion by Ott, second by Clendening to furnish the Emergency Services Advisory Council with a list of all County-owned equipment that could possibly be used by Emergency Services during an emergency situation. Motion carried.

In re: NOTARY APPLICATION AND BOND APPROVED - MARGIE S. JOHNSTON

Upon the application of Margie S. Johnston as a Notary Public in and for the County of Jefferson, it was shown to the satisfaction of this Commission that said Applicant is a resident of said County, that she is competent to perform the duties of such office, that she is a person of good moral character, and that she has posted bond and taken the oath of office as required by law.

Motion by Phalen, second by Snyder to approve the Notary Application and Bond for Margie S. Johnston. Motion carried.

In re: FAIR ASSOCIATION REQUEST - FAIRGROUNDS

Upon request of the Jefferson County Fair Association, the Commission agreed to give the Fair Association first consideration if and when any additional land is requested by some other organization or individual to the immediate west of the Fairgrounds.

In re: MELLON BANK, N.A. - PAYMENT AUTHORIZED - FEES AND EXPENSES INCURRED FROM REVENUE BOND ISSUE

Upon motion of the Court, the Commission approved and ordered payment to Mellon Bank, N.A. for fees and expenses incurred in servicing the Jefferson County, WV, Residential Mortgage Revenue Bonds, 1980 Series A, payment in the amount of \$5,308.09, to be made from funds presently held by Mellon Bank in an account established for that purpose.

In re: MAINTENANCE AGREEMENT ON LEKTRIEVER CARD FILE IN ASSESSOR'S OFFICE

Motion by Clendening, second by Ott to approve the mechanical maintenance agreement on the Lektriever Series 80 card file in the Assessor's Office for the period 3/4/83 through 3/4/84 in the amount of \$379.96. Motion carried.

In re: TURNKEY JAMES CARBONE TO ATTEND JAILERS' TRAINING SCHOOL

Upon request of the Sheriff, motion by Phalen, second by Ott to authorize Turnkey James Carbone to attend the Jailers' Training School at the Huttonsville Corrections Facility for a six-week period beginning March 7, 1983 at a cost of \$150.00, plus traveling expenses. Motion carried.

In re: DEPUTY SHERIFFS' REQUEST FOR PAY INCREASES

The Jefferson County Deputy Sheriffs appeared before the Commission with a written request for consideration of a \$1.00 per hour across-the-board pay increase for their department. The Commission accepted their written request for consideration.

In re: BID RECEIVED - REPLACEMENT CONSOLE AT EMERGENCY HEADQUARTERS - MOTOROLA, INC.

Motion by Clendening, second by Ott to receive for review a bid in the amount of \$45,760.00 from Motorola, Inc. for a new console at Emergency Headquarters. Motion carried.

In re: NORMA PHELPS AND WALTON STOWELL - DOG WARDEN AND DOG ORDINANCE

Norma Phelps and Walton Stowell, residents of Jefferson County, came before the Commission to seek answers to questions regarding the role of the Dog Warden and provisions of the Jefferson County Dog Ordinance. Answers were provided by the Commission and Mr. Stowell and Ms. Phelps were provided copies of the Jefferson County Dog Ordinance.

In re: COMPETENCY HEARING - COMMITTEE APPOINTED FOR MARY MORGAN - ORDER APPROVED

ORDER

THIS 24th day of February, 1983, came the Petitioner, Cindy Workman, in person, and came also William H. Martin, duly appointed Guardian ad Litem, and came also Michael D. Thompson, Assistant Prosecuting Attorney for Jefferson County, and came also divers witnesses, including Ralph E. Rickel, M.D., a licensed and practicing physician in said County, and witnesses appearing and testifying herein under oath this day, for hearing upon said petition filed with the Clerk of this Commission on February 10, 1983, for hearing this day upon said petition praying for the appointment of a Committee for said Mary Morgan.

It appearing that a copy of said petition and notice of hearing this day, were duly served upon the said Mary Morgan according to law in such cases and that copies of the same were duly served upon all next of kin and other persons entitled to such notice in such cases, and it further appearing that this matter has been regularly proceeded with according to law and the statutes applicable, and is matured for hearing this day, this Commission proceeded to hear, and did hear the matter.

It appearing from the sworn testimony of Dr. Ralph E. Rickel and other witnesses that the said Mary Morgan is unable to care for her physical well-being and is unable to care for her business affairs, the Commission FINDS and IT IS ADJUDGED that she is an incompetent person, and is unable to care for her own physical well-being and is unable to manage her business affairs.

It is FURTHER ORDERED that Fern A. Willingham be, and is, hereby appointed as Committee for said incompetent person, to care for her well-being physically and to manage her business affairs, with the right to the care and custody of her person and her estate, as provided by the general laws of the State of West Virginia concerning and applying to Committees and Guardians.

It is FURTHER ORDERED that Jack R. Huyett, J. Blackwell Davis, Jr., and Hannah R. Pitcher are hereby appointed as appraisers of the estate of said Mary Morgan and that they shall make and return to the Clerk of this Commission a written appraisal of the assets of the estate of said incompetent person.

It is FURTHER ORDERED that said Committee execute and deliver to said Clerk a bond in the amount of \$5,000.00, with surety, if any be required, as approved by the Clerk of this Commission.

Enter as of the day and date first set forth herein.

In re: EXECUTIVE SESSION - COMPETITIVE BIDS - LANDFILL SUPERVISOR

Motion by Snyder, second by Ott to go into Executive Session with the Landfill Supervisor for the purpose of discussing competitive bids. Motion carried.

Motion by Snyder, second by Phalen to adjourn from Executive Session to return to Regular Session. Motion carried. No action was taken.

In re: PUBLIC HEARING HELD - BEE AND BEE CONTRACTORS, INC.

A public hearing was held this day at 1:00 P.M. in the County Courtroom for Bee & Bee Contractors, Inc. (Walker Project) for the purpose of the County Commission to consider the approval of an issue of a commercial development revenue bond.

PUBLIC HEARING - ORDER

This 24th day of February 24, 1983 at 1:00 P.M. came Bee & Bee Contractors, Inc. by Donald and Patricia Walker, principal owners of the corporation, and Jane Kastl, Executive Director of the Jefferson County Development Authority, pursuant to a legal advertisement setting forth the time, date and place of a public hearing on the commercial revenue bond resolution of Bee & Bee Contractors, Inc. to construct and lease an apartment unit building in Ranson, Jefferson County, West Virginia.

Whereupon, the President of the County Commission of Jefferson County convened the public hearing and asked comments from the public. There being no comment or questions from the public, the Commission directed various questions to the applicants and the Development Authority Director.

It is ACCORDINGLY ORDERED that the public hearing be and the same is hereby adjourned at 1:07 P.M., and that the closing of the commercial revenue bond transaction of Bee & Bee Contractors, Inc. is hereby set by the Commission for Thursday, March 3, 1983 at 11:30 P.M. in the County Courtroom of the Jefferson County Courthouse, Charleston, West Virginia.

In re: FINAL RESOLUTION ADOPTED - BEE AND BEE CONTRACTORS, INC.

Motion by Ott, second by Clendening to adopt the following Final Resolution authorizing the issuance of \$150,000.00 Commercial Development Revenue Bonds for Bee & Bee Contractors, Inc. (Walker Project) for the construction of a multi-family rental housing unit, and further to hold the Bond Closing on Thursday, March 3, 1983 at 11:30 A.M. in the County Courtroom. Motion carried. (On page 197)

RESOLUTION AND ORDER AUTHORIZING THE ISSUANCE OF \$150,000.00 COMMERCIAL DEVELOPMENT REVENUE BONDS (BEE AND BEE CONTRACTOR, INC. PROJECT) 1983 SERIES A OF THE COUNTY COMMISSION OF JEFFERSON COUNTY, WEST VIRGINIA, TO FINANCE ACQUISITION AND CONSTRUCTION OF A COMMERCIAL PROJECT TO BE OWNED BY THE COUNTY; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A LEASE AGREEMENT AND APPROVING THE EXECUTION AND DELIVERY OF BONDS IN CONNECTION THEREWITH

WHEREAS, The County Commission of Jefferson County, West Virginia, a governmental body organized and existing under the laws of the State of West Virginia (the "Commission"), is authorized by Chapter 13, Article 2C of the West Virginia Code of 1931, as last amended, (the "Act"), to issue its commercial development revenue bonds as are more particularly described herein for the public purposes set forth in the act and to sell such Bonds and to use the proceeds thereof to finance a commercial project as defined in the Act; and

WHEREAS, BEE AND BEE CONTRACTOR, INC. (the "Company") plan to construct and improve the commercial facility to be used as residential multi-family rental housing units in Jefferson County, West Virginia, and to lease the same from the County; and

WHEREAS, in connection with the proposed construction and improvement of such facilities, the Company applied to the Commission to receive assistance provided in the Act; and

WHEREAS, as an inducement to locate such facilities in Jefferson County, thereby increasing employment and otherwise promoting the prospective health, happiness, safety and general welfare of the citizens of the State of West Virginia and Jefferson County, the Jefferson County Development Authority approved such application and the Commission has adopted a resolution dated January 27, 1983, providing for the acquisition and construction of the facilities and the issuance of bonds by the Commission to defray a portion of the costs thereof; and

WHEREAS, in accordance with the provisions of Section 103(k) of the Internal Revenue Service Code of 1954 as amended (the "Code") the Commission, at the request of the Company, has caused public notice to be given of a public hearing concerning the issuance of the subject Bonds, their terms and the documentation of all of the same to be published as a Class II legal advertisement of in the Spirit of Jefferson Advocate, a newspaper of general circulation in Jefferson County, as is more fully shown by the Affidavit of Publication made a part hereof for all pertinent purposes; and

WHEREAS, in accordance with provisions of the aforesaid Section 103(k) of the Code, the Commission did, on February 24, 1983 at 1:00 P.M. at the Commission's Courtroom, conduct a public hearing on the issuance, terms, public purpose(s) and documents making up for constituting the issuance of the subject Bonds; and

WHEREAS, based upon all of the foregoing the Commission finds and determines that the Bonds are to be sold in accordance with the terms of the Act; and

WHEREAS, based upon all of the foregoing, the Commission finds and determines that the commercial project including land, equipment and related facilities (the "Project"), to be acquired and constructed, is to be financed by the Commission through the issuance and sale of the Bonds and in accordance with the terms of a Lease Agreement (the "Lease Agreement") hereinafter provided for; and

WHEREAS, based upon all of the foregoing the Commission finds and determines that the Project securing the Bonds is to be subject to a deed of trust (the "DOT") as security for and to the Bondholders; and

WHEREAS, based upon all of the foregoing the Commission finds that the revenue to be derived by the Commission from the Lease Agreement shall be pledged to the payment of the Bonds as provided in the Trust Indenture hereinafter provided for and will be sufficient to pay the principal of and interest on the Bonds as the same mature and become due; and

WHEREAS, based upon all of the foregoing the principal of and interest on the Bonds and all other payments provided for in said Trust Indenture will be payable solely from revenues derived from the Lease Agreement or from the security or guaranty described therein and said Bonds will not constitute an indebtedness or liability of Jefferson County or an obligation on the part of any officer or commissioner of the Commission; and

WHEREAS, based upon all of the foregoing no holder of any bond issued hereunder shall ever have the right to compel the exercise of the taxing powers of The County for the payment of such principal and interest on said Bonds; and

WHEREAS, based upon all of the foregoing the Bonds will contain on the fact thereof provisions as aforesaid; and

WHEREAS, based upon all of the foregoing the Bonds will be secured in the manner and to the extent provided in the Trust Indenture and as hereinafter set forth; and

WHEREAS, based upon all of the foregoing the Commission finds and represents that it has full power and authority to issue the Bonds and to pledge for the payment thereof the revenues to be derived from the Project as in said Trust Indenture, the DOT and Lease Agreement, more particularly set forth, and to enter into the security interest in the Lease Agreement and DOT all pursuant to the Act, and that the Commission has taken or will take by the adoption of this resolution all actions necessary to authorize its proper officers to sign, seal and deliver the said Trust Indenture, the said Lease Agreement, the DOT and the Bonds; and

WHEREAS, based upon all of the foregoing the Commission is desirous of proceeding with the acquisition and construction of the Project in order to promote the present and prospective health, happiness, safety, right of gainful employment and general welfare of the citizens of Jefferson County, West Virginia;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the County Commission of Jefferson County, West Virginia, as follows:

Section 1. To provide a portion of the financing for the acquisition and construction of the Project by the Commission, the issuance of \$150,000.00 Commercial Development Revenue Bonds (Bee and Bee Contractor, Inc. Project) 1983 Series A (the "Bonds") of the Commission is hereby authorized, subject to the provisions of this Resolution and the Trust Indenture hereinafter authorized. The Bonds shall be dated as of February 1, 1983; shall be initially issued as registered bonds, in the denomination of \$5,000.00 each, or multiples thereof; shall be payable as to principal, interest and premium, if any, at the principal office of the Peoples Bank of Charles Town, Charles Town, West Virginia, Trustee, or at the office designated for such payment of any Paying Agent; shall initially bear interest at the rate ten (10%) per cent per annum from the date thereof as provided in the Trust Indenture hereinafter authorized; commencing February 1, 1983, and thereafter at variable rates established by the terms of the Indenture until paid; and shall mature, unless sooner redeemed as provided in the Trust Indenture.

The Form of the Bonds and the provisions for signatures, authentication, payment and redemption shall be as set forth in the Trust Indenture hereinafter authorized.

Section 2. The Bonds shall be secured by the pledge effected by the Trust Indenture hereinafter authorized and shall be payable solely from and secured by a pledge of the Lease Agreement, a deed of trust and related financing statements securing the same. The Bonds, together with the interest thereon, are limited obligations of the county, payable from the funds established under the Trust Indenture, and the Bonds shall never constitute an indebtedness of the County within the meaning of any West Virginia constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 3. The Lease Agreement between the Commission and Bee and Bee Contractor, Inc., dated as of February 1, 1983, as submitted to this meeting and made a part of this Resolution as though set forth in full herein, be and the same hereby is approved. The President and the Clerk of the Commission are hereby authorized and directed to execute and deliver said Lease Agreement with such changes, insertions and omissions as may be approved by the President of the Commission. The execution of the Lease Agreement by the President shall be conclusive evidence of such approval.

Section 4. The Trust Indenture between the Commission and the Peoples Bank of Charles Town, as Trustee (the "Trustee"), dated as of February 1, 1983, as submitted to this meeting and made a part of this Resolution as though set forth in full herein, be and the same hereby is approved. The President and the Clerk of the Commission are hereby authorized and directed to execute and deliver said Trust Indenture with such changes, insertions and omissions as may be approved by the President of the Commission. The execution of the Trust Indenture by the President shall be conclusive evidence of such approval.

Section 5. The Deed of Trust (the "DOT") between the Commission, and Dennis R. Vaughan, Jr. and James W. Withrow, as trustees, dated as of February 1, 1983, as submitted to this meeting and made a part of this Resolution as though set forth in full herein, be and the same is approved by the President and the Clerk of the Commission and they are hereby authorized and directed to execute and deliver said DOT with such changes, insertions and omissions as may be approved by the President of the Commission. The execution of the DOT by the President shall be conclusive evidence of such approval.

Section 6. The Peoples Bank of Charles Town, Charles Town, West Virginia, is hereby designated Trustee, Paying Agent and Bond Registrar under said Trust Indenture.

Section 7. The Bonds shall be executed as provided herein and in accordance with the provisions of the Trust Indenture and shall be delivered to the Trustee to be authenticated and delivered to the purchasers thereof in accordance with the terms of the Indenture upon instructions of the Commission to that effect.

Section 8. The President, Clerk and any other proper officers of the Commission of Jefferson County, along with said Commission, are hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and Order.

Section 8. The law firm of McKittrick & Vaughan of St. Albans, West Virginia, is hereby appointed to act as Bond Counsel in these matters.

Section 9. This Resolution and Order shall become effective immediately.

Section 10. The President of the Commission is hereby authorized and directed to execute and deliver to Bond Counsel Internal Revenue Service Form 8083 entitled "Information Return for Private Activity Bond Issues" (January, 1983) for the purpose of providing the Internal Revenue Service with information required by Section 1031 of the Code.

WITNESS the signature and seal of the County Commission of Jefferson County, West Virginia, a public corporation, at a meeting held at the Jefferson County Courthouse, Charles Town, West Virginia, on the 24th day of February, 1983.

In re: INSPECTION OF JAIL BY COMMISSIONERS

Part of the afternoon of the Commission was taken up with the inspection of the County Jail, as requested by the Sheriff, for the purpose of viewing changes made to the Jail since the last inspection by the Jefferson County Health Department.

The Commission further discussed the Final Resolution and Order for South Ridge Associates and agreed to take action on this matter at 1:00 P.M. on Friday, February 25, 1983.

The Racing Commission check was received for the period February 1 through 14, 1983 in the amount of \$1,825.82.

The Sanitarians' Reports were received from John Cooper, Willis Nowell, and George Magin for the month of February, 1983.

Action was taken in the regular manner to approve the following Purchase Orders:

| <u>NAME:</u>             | <u>AMOUNT:</u> | <u>PURPOSE:</u>   |
|--------------------------|----------------|---|
| <u>ASSESSOR</u>          |                |   |
| P.O. #7178               | \$ 379.96      | Mechanical Service Agreement on Card File from 3/4/83 to 3/4/84 |
| <u>COUNTY COMMISSION</u> |                |   |
| P.O. #7011               | \$ 263.00      | Bond for Deputy Gary Wolford                                    |

JAIL

|            |           |  |
|------------|-----------|--|
| P.O. #7072 | \$ 152.00 | Hospital Services for Inmate Clint Webster |
|------------|-----------|--|

PLANNING COMMISSION

|            |           |  |
|------------|-----------|--|
| P.O. #7012 | \$ 250.00 | Final Payment for Additional Duties Incurred - Natalie Par |
| P.O. #7013 | 250.00    | Final Payment for Additional Duties Incurred - Chris Jarre |

PROSECUTING ATTORNEY

|            |           |  |
|------------|-----------|--|
| P.O. #6362 | \$ 108.07 | Office Supplies  |
| P.O. #7110 | 224.00    | Reimbursement for Trip to Charleston                       |
| P.O. #7111 | 213.59    | Reimbursement - Prosecuting Attorney's Association Meeting |
| P.O. #7113 | 350.00    | Services Rendered in Magistrate Court                      |

SHERIFF'S LAW OFFICE

|            |           |                                    |
|------------|-----------|------------------------------------|
| P.O. #7069 | \$ 234.48 | Repairs to 1981 Ford and 1982 Ford |
|------------|-----------|------------------------------------|

The following miscellaneous claims were this day examined by the Commission and ordered paid:

Miscellaneous:

|                            |           |                            |           |
|----------------------------|-----------|----------------------------|-----------|
| Henry M. Snyder, Jr.       | \$ 516.51 | Robert D. Ott              | \$ 487.59 |
| Garland H. Moore, Jr.      | 487.59    | Gary L. Phalen             | 524.51    |
| Charles B. Clendening, III | 443.95    | David L. Ash               | 680.93    |
| Alice Katherine Weiant     | 334.54    | Lisa G. Reckart            | 284.97    |
| John E. Ott                | 486.64    | Erma S. Hough              | 308.70    |
| Lois J. Welsh              | 248.12    | Joyce Marie Kackley        | 231.18    |
| Debra Lynn Leake           | 265.22    | Maida Goldine Ryman        | 291.88    |
| Robin Fay Johnson          | 251.23    | Beverly A. Grove           | 296.41    |
| Edna Elizabeth Giffit      | 226.26    | Judith Lindsay Slusher     | 264.28    |
| Rosamond W. Lynch          | 580.60    | Linda Sue Butner           | 283.10    |
| Donald R. Giardina         | 531.85    | Charlotte A. Gageby        | 341.78    |
| Virginia M. Keeney         | 278.50    | Linda H. Burch             | 256.70    |
| Deborah J. Randall         | 274.06    | Doris Carroll Cooper       | 214.08    |
| Nancy Hough Furr           | 253.38    | Braun August Hamstead      | 651.48    |
| Michael Dean Thompson      | 343.33    | Melody Helm Gaidrich       | 258.14    |
| Brenda S. Hamilton         | 296.15    | Kathern C. Anders          | 267.41    |
| Mary R. Bordier            | 1,053.00  | Dora V. Rawlings           | 318.44    |
| Vicky H. Longerbeam        | 307.36    | Lois T. Turner             | 316.16    |
| Patricia Ann Lacey         | 286.40    | Joan Margaret Mercer       | 173.45    |
| Wearie L. Cain             | 238.89    | Charles C. Cheezum         | 164.03    |
| Lois M. Mackey             | 179.25    | Sheila Lynn Penwell        | 148.83    |
| Charles Edward Spinks      | 118.43    | Debra Jean White           | 57.63     |
| Delores C. Nicodemus       | 315.44    | Dianna R. Alvarez          | 249.20    |
| Natalie G. Parks           | 277.07    | Christina D. Jarrett       | 317.06    |
| David Warren Hill          | 367.07    | Betty Lanham Glascock      | 240.42    |
| Ronnie L. Simmons          | 262.93    | Arthur Christopher Russell | 373.26    |
| Mary Louise Russell        | 108.00    | Clarence E. Puller         | 160.14    |
| Kit Lance Elliott          | 243.50    | Melvin W. Jenkins          | 230.28    |
| Kenneth M. Mills           | 369.57    | Gary B. Wolford            | 355.10    |
| Henry Clark Hicks, Jr.     | 309.54    | Robert Eugene Shirley      | 289.37    |
| diana r. mahoney           | 336.91    | Russell Henry Shackelford  | 287.27    |
| James A. Bowers            | 254.63    | Wallace H. Giffit          | 308.59    |
| Michael L. Tenney          | 298.44    | Jack Ronald Kackley        | 269.79    |
| Robert A. Shackelford      | 37.03     | George James Mancini       | 37.03     |
| Ronald Lee Boyd            | 252.48    | James Vincent Carbone      | 305.07    |
| Carl Conway Haines         | 228.56    | Crystal Lee Mose           | 240.57    |
| Bernard Lee Snyder         | 252.77    | Johnny L. Gray             | 314.39    |
| John W. Gray               | 280.16    | William G. Marcus          | 275.76    |
| Casper Frederick Hosfeld   | 115.83    | Eugene Lucas Crum          | 150.17    |
| Quince Dandridge Fleming   | 87.19     | J. Kenneth Willingham      | 404.70    |
| Darrell G. Penwell         | 385.42    | Rita Ann Howell            | 358.93    |
| Jamie A. Willingham        | 127.24    | David Kevin Holmes         | 353.24    |
| Michael Darron Pittinger   | 361.88    | Kimberly A. Spalding       | 276.34    |
| Jane Anne Kastl            | 551.39    |                            |           |

Revenue Sharing:

|                                |           |  |           |
|--------------------------------|-----------|--|-----------|
| Harvey Arnold                  | \$ 350.00 | Eastern Panhandle Mental Health Center | \$ 275.00 |
| William N. Kisner, Sheriff     | 186.00    | The S. Spencer Moore Co.               | 307.52    |
| Department of Finance & Admin. | 328.26    | Pennsylvania State University          | 2.00      |
| James C. Tabb                  | 10.50     | Ag. Pub. Office N.C. State University  | 10.00     |
| Western Auto Associate Store   | 7.95      |  |           |

Dog Tax Fund:

|                                     |          |                                       |           |
|-------------------------------------|----------|---------------------------------------|-----------|
| Bank of Charles Town                | \$ 26.20 | Bank of Charles Town                  | \$ 230.28 |
| WV Public Employees Insurance Bd.   | 149.00   | State Tax Commissioner                | 44.08     |
| WV Public Employees Retirement Sys. | 89.63    | WV Public Employees Retirement System | 209.13    |
| Social Security Contribution Fund   | 266.87   |                                       |           |

Health Center:

|                                     |           |                                       |          |
|-------------------------------------|-----------|---------------------------------------|----------|
| Security Systems, Inc.              | \$ 326.00 | Bank of Charles Town                  | \$ 44.88 |
| Bank of Charles Town                | 481.26    | Social Security Contribution Fund     | 175.69   |
| WV Public Employees Retirement Sys. | 47.54     | WV Public Employees Retirement System | 110.94   |



# State of West Virginia, County of Jefferson, Sct.

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Clerk's Office of the County Commission of Jefferson County, at Charles Town, in said State, exercising Probate Jurisdiction.

I, JOHN E. OTT, Clerk of said Commission having by law the custody of the seal, and all papers, books, documents and papers of or pertaining to said Commission, hereby certify the paper hereto annexed to be a true copy appertaining to said Commission and on file and of record in said office, to-wit:

These minutes from the Regular Term meeting of the County Commission of Jefferson County was held on February 24, 1983 and was recorded in the Law Order Book W, at Page 195.

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In attestation whereof I have hereunto set my hand and affixed the seal of said Commission

this \_\_\_\_\_ 26th \_\_\_\_\_ day of

November \_\_\_\_\_, A. D., 19\_97\_

John E. Ott  
Clerk of said Commission

Upon rising, Commission adjourned, to meet again on Thursday morning next at 9:30 o'clock A.M.

*Carl H. Moore, Jr.*  
PRESIDENT

DECEMBER 1, 1983

REGULAR TERM

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

At a Regular Term of the County Commission of said County and State, continued and held at the Courthouse thereof on Thursday, December 1, 1983, beginning at 9:30 o'clock A.M.

PRESENT: Carl H. Moore, Jr., President;  
Charles B. Clendening, III; Henry M. Snyder, Jr.;  
Robert D. Ott; Commissioners.

In re: SURPLUS TAX REFUNDS

Motion by Snyder, second by Clendening to approve the following Surplus Tax Refunds. Motion carried.

SURPLUS TAX REFUND

It appearing that on the 14th day of November, 1983, the Sheriff of said County, at a tax sale of delinquent lands, sold for delinquent and unpaid state taxes for the year 1982 a parcel of land assessed in the tax records of Jefferson County, West Virginia as, 1 lot No. 8, Woodbury, Middleway District, Jefferson County West Virginia; that at the time of said tax sale the taxes were charged to James J. McGrath and Juanita M. McGrath; that at said tax sale Francis Dale Duncan was purchaser of said real estate for a purchase price of \$490.00; that at the time of said sale the taxes, interest and charges thereon were \$477.57; that as a result of said sale thereon there is a surplus of \$12.43 in excess of the taxes, interest and charges due thereon.

Further, it appearing to the Commission, that since said sale James J. McGrath and Juanita M. McGrath's interest in and to the said property was sold to John S. Morris.

Thereupon it is ordered, in pursuance of Chapter 11A, Article 3, Section 37 of the West Virginia Code of 1931, as amended, that the Sheriff of Jefferson County, West Virginia do pay to John S. Morris, the sum of \$12.43, that being the surplus paid to the Sheriff at said tax sale.

Entered this 1st day of December, 1983.

SURPLUS TAX REFUND

It appearing that on the 14th day of November, 1983, the Sheriff of said County, at a tax sale of delinquent lands, sold for delinquent and unpaid state taxes for the year 1982 a parcel of land assessed in the tax records of Jefferson County, West Virginia as, Lot 12, Woodland Park Subdivision, Charles Town District, Jefferson County, West Virginia; that at the time of said tax sale the taxes were charged to Elaine and Titus Hagy; that at said tax sale Mickey Duncan was purchaser of said real estate for a purchase price of \$200.00; that at the time of said sale the taxes, interest and charges thereon were \$83.41; that as a result of said sale thereon there is a surplus of \$116.59 in excess of the taxes, interest and charges due thereon.

Further, it appearing to the Commission, that since said sale Elaine and Titus Hagy's interest in and to the said property was sold to Mary Ellen Longan.

Thereupon it is ordered, in pursuance of Chapter 11A, Article 3, Section 37 of the West Virginia Code of 1931, as amended, that the Sheriff of Jefferson County, West Virginia do pay to Mary Ellen Longan, the sum of \$116.59, that being the surplus paid to the Sheriff at said tax sale.

Entered this 1st day of December, 1983.

In re: ORDER ADOPTED - JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Motion by Clendening, second by Ott to adopt the following Order for the creation of the Jefferson County Public Service District. Motion carried.

IN THE COUNTY COMMISSION OF JEFFERSON COUNTY, WEST VIRGINIA

IN THE MATTER OF:

Creation of the Jefferson County Public Service District

ORDER

Having upon its own motion entered an Order on February 24, 1983, proposing the creation of the Jefferson County Public Service District and setting forth a description of such sufficient to identify said district and further having provided public notice in compliance with Chapter 16, Article 13A, Section 2 and having held the public hearing required therein; the County Commission of Jefferson County does, upon consideration of the testimony and evidence produced before it, find the creation of a public service district feasible, convenient, and conducive to the preservation of the public health and convenience.

Therefore, it is ORDERED that a public service district be created in Jefferson County under the provisions of 16-13A-1 et. seq. of the West Virginia Code of 1931, as amended, to encompass and include the following:

All land within the boundaries of Jefferson County, West Virginia, less however, those sewage authorities within any incorporated municipality with the County unless the governing body of any such

municipality shall adopt a resolution consenting to be included within the proposed public service district, and that area covered by the existing public service district of Harpers Ferry-Bolivar Public Service District presently authorized to operate in Jefferson County; provided, however, that any of the public sewage service districts presently authorized to operate in Jefferson County, but not presently furnishing sewage services may become a part of the area to be serviced by this Public Sewage Service District.

It is further ORDERED that the public service district shall be known as the "JEFFERSON COUNTY PUBLIC SERVICE DISTRICT", and that it shall possess the powers and privileges granted to public service districts by virtue of the provisions of the West Virginia Code.

In re: BOND CLOSING HELD FOR OAKRIDGE ASSOCIATES - FINAL RESOLUTION ADOPTED

The Bond Closing for Oakridge Associates was held this day at 10:30 A.M. in the County Courtroom. Motion by Clendening, second by Ott to adopt the following Final Resolution authorizing the issuance and sale of \$330,000 Jefferson County, West Virginia Industrial Development Revenue Bonds for Oakridge Associates for the purpose of financing the acquisition, construction and equipping of a commercial project. Motion carried.

RESOLUTION OF THE  
 COUNTY COMMISSION OF  
 JEFFERSON COUNTY, WEST VIRGINIA  
 AUTHORIZING THE ISSUANCE  
 AND SALE OF  
 \$330,000 JEFFERSON COUNTY, WEST VIRGINIA  
 INDUSTRIAL DEVELOPMENT REVENUE BOND  
 OAKRIDGE ASSOCIATES  
 SERIES 1983

Adopted December 1, 1983

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RESOLUTION OF THE COUNTY COMMISSION  
OF  
JEFFERSON COUNTY, WEST VIRGINIA  
AUTHORIZING THE ISSUANCE OF

\$330,000 JEFFERSON COUNTY, WEST VIRGINIA  
INDUSTRIAL DEVELOPMENT REVENUE BOND  
OAKRIDGE ASSOCIATES  
SERIES 1983

AND PROVIDING FOR THE FORM,  
DETAILS AND PAYMENT THEREOF

WHEREAS, the Industrial Development and Commercial Development Bond Act, Article 2C, Chapter 13, West Virginia Code, 1931, as amended (the "Commission"), acting for and on behalf of Jefferson County, West Virginia (the "Lessor"), to acquire, whether by purchase, construction, gift, lease or otherwise, commercial projects or additions thereto, which shall be located within the State of West Virginia; to issue revenue bonds for the purpose of defraying the costs of acquisition, by construction, purchase, lease or otherwise, of commercial projects; and to secure the payment of such bonds by a pledge of the income and revenues derived from the lease, sale, financing or other disposition of commercial projects and by a deed of trust covering all or any part of the commercial project from which the revenues so pledged may be derived; and

and WHEREAS, the Lessor is a duly constituted political subdivision of the State of West Virginia;

WHEREAS, the Lessor has made the necessary arrangements with Oakridge Associates (A West Virginia Limited Partnership) (the "Lessee"), for financing the acquisition, construction and equipping of a commercial facility in Jefferson County, West Virginia (the "Project"), which will promote the purposes of the Act, and will enter into a lease agreement, dated as of December 1, 1983 (the "Lease"), with the Lessee, whereby the Lessor agrees to lease the Project to the Lessee; and

WHEREAS, to secure payment of the hereinafter mentioned bond, the Lessor shall grant a security interest in the property financed pursuant to a Deed of Trust (the "Deed of Trust") dated as of December 1, 1983 between the Lessor and Thomas W. Steptoe (the "Trustee"); and

WHEREAS, the Lessor has determined to issue its \$330,000 Jefferson County, West Virginia Industrial Development Revenue Bond, (Oakridge Associates) Series 1983 (the "Bond"). The Bond shall be issued to finance the estimated cost of acquiring, constructing and equipping the Project, including

necessary expenses incidental thereto; and

WHEREAS, the Commission is the elected representative of the County and the Commission has this day held a public hearing on the issuance of the Bond following reasonable public notice, in full compliance with Section 103(k) of the Internal Revenue Code of 1954, as amended; and

WHEREAS, there has been presented to this meeting an agreement to purchase the Series of 1983 Bond, dated as of December 1, 1983 executed by Bank of Charles Town, as the purchaser of the Series of 1983 Bond (the "Bond Purchase Agreement"); and

WHEREAS, the Bond is in registered form without coupons and the assignment is to be in substantially the following form, with appropriate variations, omissions and insertions as are permitted or required by this Resolution:

THIS BOND MAY NOT BE TRANSFERRED  
EXCEPT AS HEREIN PROVIDED

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA

JEFFERSON COUNTY, WEST VIRGINIA

Industrial Development Revenue Bond  
Oakridge Associates

Series 1983

Dated December 1, 1983

Number R-1

\$330,000

KNOW ALL MEN BY THESE PRESENTS that Jefferson County, West Virginia, a political subdivision of the State of West Virginia (hereinafter referred to as the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, to bank of Charles Town or registered assigns, the principal sum of Three Hundred Thirty Thousand Dollars (\$330,000), together with interest thereon from the date of delivery of this bond through May 31, 1989 at the rate of eleven percent (11%) per year, from June 1, 1989 through May 31, 1994 at the Adjusted Interest Rate effective as of June 1, 1989, and from June 1, 1994 until maturity at the Adjusted Interest Rate effective as of June 1, 1994, except as hereinafter provided, payable in installments as follows: Interest only shall be payable on the first day of each month commencing on the first day of the month following the date of delivery of this bond and continuing on the first day of each month thereafter to and including May 1, 1984. Principal and Interest shall be payable on the first day of each month commencing on the first day of June, 1984, and continuing on the first day of each month thereafter in one hundred eighty (180) consecutive monthly installments, with the first one hundred seventy-nine (179) installments to be in the amount of Three Thousand Seven Hundred Fifty Dollars and Seventy-seven Cents (\$3,750.77), which amount shall be adjusted as hereinafter provided. The final installment shall be in the amount of the then remaining unpaid balance of principal and interest. Principal of and interest on this bond are payable in lawful money of the United States of America at the principal office of the Bank of Charles Town (the "Bondholder") or at such other place in Jefferson County, West Virginia, as the holder hereof may designate in writing.

"Adjusted Interest Rate" means that rate of interest equal to sixty-seven percent (67%) of the prime lending rate of Chase Manhattan Bank, N.A., New York, as of June 1, 1989, and as of June 1, 1994. In no event, however, shall the Adjusted Interest Rate be less than ten percent (10%) per year.

The amount of monthly installments of principal and interest shall be readjusted on June 1, 1989 and June 1, 1994 to reflect the changes in the interest rate on this bond as determined by the Adjusted Interest Rate on each of such dates. The installments shall be adjusted effective as of June 1, 1989 and June 1, 1994 so as to fully amortize the outstanding principal balance through level payments over the remainder of the term of the bond.

No notation is required to be made hereon as to the payment of principal or interest upon normal installment payment dates, HENCE THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING AND DUE HEREUNDER. The Bondholder, by his acceptance hereof, agrees that before any sale, assignment or transfer of this Bond, he shall note hereon in the certificate at the foot of this Bond the aggregate amount of all principal installment payments which have been made on the Bond and the last date to which interest has been paid hereon.

This bond constitutes the entire issue of the Three Hundred Thirty Thousand Dollars (\$330,000), Jefferson County, West Virginia, Industrial Development Revenue Bond (Oakridge Associates) Series 1983 (the "Bond"), authorized and issued under a resolution adopted by The County Commission of the Issuer (the "Bond Resolution"), pursuant to the Industrial Development and Commercial Development Bond Act, Article 2C, Chapter 13, West Virginia Code, as amended, for the purpose of financing the acquisition, construction and equipping of a commercial facility in Jefferson County West Virginia (the "Project"), and leasing the Project to Oakridge Associates (A West Virginia Limited Partnership) (the "Lessee"), pursuant to a Lease Agreement dated as of December 1, 1983 (the "Lease"), between the Issuer and the Lessee. This Bond is secured by a Deed of Trust, dated as of December 1, 1983, (the "Deed of Trust"), between the Lessor and Thomas W. Steptoe, as Trustee. This Bond is being purchased pursuant to a Bond Purchase Agreement, dated as of December 1, 1983 (the "Bond Purchase Agreement"), between the Issuer, the Lessee and the Bondholder. Reference is hereby made to the Bond Resolution, the Bond Purchase Agreement, the Deed of Trust, the Lease and to all supplements thereto for a description of the property pledged and assigned and the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer and the Lessee, the terms upon which the Bond is issued and secured, the rights of the holder of the Bond and provisions for defeasance of such rights.

If any time for any reason, a final determination is made that the holder of this Bond is required to treat any payment of interest or part thereof on this Bond as subject to Federal tax imposed upon or measured by income (except solely as the result of the holder's own action or inaction), (i) the Bondholder may direct the Issuer to call this Bond and thereupon shall be entitled to immediately receive full payment of this Bond and full payment of all other amounts due under the Debt Instruments, as

defined in the Lease and (ii) the interest rate on this Bond with respect to all payments as to which the holder is so required to treat as subject to such Federal tax shall be automatically increased to the Interest Rate for Advances, as defined in the Lease, effective retroactively to the date of the first taxable payment of interest. Any interest being past due by reason of an increase in the rate of interest on this Bond due to such determination shall become immediately due and payable. In the event the interest rate on this Bond shall be so increased, the monthly installment of principal and interest payable thereon shall be increased so as to fully amortize the outstanding principal amount of this Bond over the remainder of the original principal and interest installment dates.

During any period of default in any of the Debt Instruments, as defined in the Lease, the entire unpaid principal amount of this Bond, at the option of the holder of this Bond, shall bear interest at the Interest Rate for Advances, as defined in the Lease.

This Bond may be prepaid as provided herein and in the Lease and in the Bond Resolution. As specified in the Bond Resolution, this Bond is subject to prepayment in full or in part upon payment of the principal amount thereof to be prepaid plus accrued interest to the prepayment date and such other amounts, if any, as may be required in the Bond Resolution. Any partial prepayment of this Bond shall be noted in the table appearing at the foot of this Bond, and the aggregate of all such prepayments duly certified in such table shall constitute a reduction in the principal amount thereof.

This Bond and the interest hereon are limited obligations of the Issuer payable solely from the revenues derived by the Issuer from the financing of the Project, which revenue bonds have been pledged and assigned to the holder of this Bond to secure payment thereof. This Bond and the interest hereon shall not be deemed to constitute a charge against the general credit or taxing powers of the Issuer or a debt or a pledge of the faith and credit of the State of West Virginia or any political subdivision thereof. THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, WITHIN THE MEANING OF THE CONSTITUTION OF WEST VIRGINIA. NEITHER THE STATE OF WEST VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES, RECEIPTS AND PAYMENTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF WEST VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO.

The registered owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Bond Resolution or to institute, appear in or defend any suit or other proceeding with respect thereto except as provided in the Bond Resolution. In certain events, on conditions in the manner and with the effect set forth in the Bond Resolution, the principal of this Bond may become or may be declared due and payable before its stated maturity, together with accrued interest thereon. Modifications or alterations of the Bond Resolution, the Bond Purchase Agreement, the Lease and the Deed of Trust, or of any supplements thereto, may be made only to the extent and in the circumstances permitted therein.

This Bond is transferable on the registration books the Issuer maintained by the Bank of Charles Town (the "Escrow Agent") by the registered owner hereof in person or by his attorney duly authorized in writing at the principal office of the Escrow Agent upon surrender and cancellation of this Bond. The Escrow Agent may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereon and premium, if any, hereon and interest due hereon and for all other purposes and neither the Escrow Agent, the Issuer nor the Owner shall be affected by any notice to the contrary.

This Bond may not be transferred except to a bank, insurance company or similar institutional investor or financial institution purchasing for its own account.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

IN WITNESS WHEREOF, The County Commission of Jefferson County, West Virginia, has caused this Bond to be signed on behalf of the Issuer by the manual signature of its President, its seal to be affixed hereto and attested by its Clerk and this Bond to be dated the 1st day of December, 1983.

THE COUNTY COMMISSION OF JEFFERSON  
COUNTY, Acting for and on behalf of  
JEFFERSON COUNTY, WEST VIRGINIA

By GARLAND H. MOORE, JR. /s/  
President, The County Commission  
of Jefferson County

(SEAL)

ATTEST:

JOHN E. OTT /s/  
Clerk, The County Commission of  
Jefferson County

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Certificate of Prepayments

The principal amount of this Bond shall be reduced by an amount equal to the aggregate of prepayments noted hereunder. All prepayments shall be certified hereunder by an authorized representative of the Bondholder, and such certification shall constitute a cancellation of the principal amount due on this bond in the aggregate of the amounts certified below.

| <u>Amount</u> | <u>Date</u> | <u>Authorized Signature</u> |
|---------------|-------------|-----------------------------|
| _____         | _____       | _____                       |
| _____         | _____       | _____                       |
| _____         | _____       | _____                       |
| _____         | _____       | _____                       |
| _____         | _____       | _____                       |

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSION OF JEFFERSON COUNTY, WEST VIRGINIA:

ARTICLE I

Definitions and Rules of Construction

Section 101. Definitions. The following words and terms shall have the following meanings in this Resolution unless the context otherwise requires:

"Act" shall mean the Industrial Development and Commercial Development Bond Act, Article 2C, Chapter 13, West Virginia Code, 1931, as amended.

"Additional Payments" means the amounts required to be paid by the provisions of Section 4.2 of the Lease Agreement.

"Adjusted Interest Rate" means that rate of interest equal to sixty-seven percent (67%) of the prime lending rate of Chase Manhattan Bank, N.A., New York, New York, as of June 1, 1989 and as of June 1, 1994.

"Assignment" shall mean the Assignment Agreement, dated as of December 1, 1983 between the Lessor and Bank of Charles Town.

"Bond" shall mean the bond in principal amount of \$330,000 to be issued to finance the cost of the Project, authorized to be issued by Section 201 of this Resolution.

"Bondholder" or "holder" shall mean the registered Owner of the Bond.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement, dated as of December 1, 1983 between the Lessor, the Lessee and Bank of Charles Town.

"Bond Registrar" shall mean the person designated to act as Bond Registrar pursuant to Section 207 hereof.

"Business Day" shall mean any Monday, Tuesday, Wednesday, Thursday, or Friday on which commercial banking institutions generally are open for business in the State of West Virginia.

"Code" shall mean the Internal Revenue Code of 1954, as amended, including all applicable regulations and revenue rulings thereunder.

"Commission" shall mean the County Commission of Jefferson County, West Virginia, its successors and assigns.

"Construction Account" shall have the same meaning as set forth in Section 1.1 of the Lease.

"Cost", when used with respect to the Project, and "Cost of the Project" shall each mean the cost as set forth in Section 6.2 of the Lease.

"Deed of Trust" shall mean the Deed of Trust, dated as of December 1, 1983 between the Lessor and Thomas W. Steptoe, as Trustee.

"Event of Default" shall mean any of the events enumerated in Section 601 hereof.

"Lease" shall mean the Lease, dated as of December 1, 1983, between the Lessor and the Lessee.

"Lessee" shall mean Oakridge Associates (A West Virginia Limited Partnership).

"Lessor" shall mean Jefferson County, West Virginia, acting by and through The County Commission of Jefferson County.

"Opinion of Counsel" shall mean a written opinion of Independent Counsel, as defined in the Lease.

"Outstanding", when used in reference to the Bond, shall mean as of a particular date, the Bond delivered under this Resolution except: (i) any portion of a Bond cancelled at or before such date; (ii) any Bond in lieu of or in substitution for which another Bond shall have been executed, delivered and registered; and (iii) any portion of the Bond deemed paid under the provisions of this Resolution, except that any such Bond shall be considered Outstanding until the maturity or prepayment date thereof only for the purposes of actually being paid.

"Project" shall have the meaning set forth in Section 1.1 of the Lease.

"Resolution" shall mean this Resolution.

"Series of 1983 Bond" shall mean the Bond in the principal amount of \$330,000 authorized to be issued by Section 201.

"Trustee" shall mean Thomas W. Steptoe, a resident of Jefferson County, West Virginia, or his successor or successors serving as such under the Deed of Trust.

Section 102. Rules of Construction. The following rules shall apply to the construction of this Resolution unless the context otherwise requires:

- (a) Singular words shall connote the plural number as well as the singular and vice versa.
- (b) Words importing the prepayment or calling for prepayment of the Bond shall not be deemed to refer to or connote the payment of the Bond at its stated maturity.
- (c) All references herein to particular Articles or Sections are references to Articles or Sections of this Resolution.
- (d) The headings herein are solely for convenience or reference and shall not affect the meaning, construction or effect of any Article or Section of this Resolution.
- (e) This Resolution shall be construed for the benefit of the Lessee to the extent not inconsistent with the rights of the Bondholder.

## ARTICLE II

### Authorization, Execution, Registration and Delivery of the Bond

Section 201. Authorization of Bond. There is hereby authorized to be issued an industrial development revenue bond of the Lessor for the Project proposed by Lessee in the principal amount of Three Hundred Thirty Thousand Dollars (\$330,000).

Section 202. Details of Bond. The Bond authorized in Section 201 shall be issued as a registered bond without coupons in the sole denomination of Three Hundred Thirty Thousand Dollars (\$330,000), shall be dated as of December 1, 1983, shall be numbered R-1, shall bear interest from the date thereof on the outstanding and unpaid principal amount thereof at the rate of 115 per year through May 31, 1989, at the Adjusted Interest Rate effective as of June 1, 1989, from June 1, 1989 through May 31, 1994, and at the Adjusted Interest Rate effective as of June 1, 1994 until maturity, except as therein provided, payable in installments as follows: Interest only shall be payable on the first day of each month commencing on the first day of the month following the date of delivery of the bond and continuing on the first day of each month thereafter to and including May 1, 1984. Principal and Interest shall be payable on the first day of each month commencing on the first day of June, 1984, and continuing on the first day of each month thereafter in one hundred eighty (180) consecutive monthly installments, with the first one hundred seventy-nine (179) installments to be in the amount of Three Thousand Seven Hundred Fifty Dollars and Seventy-seven Cents (\$3,750.77), which amount shall be adjusted as hereinafter provided. The final installment to be in the amount of the remaining unpaid balance of principal and interest.

"Adjusted Interest Rate" means that rate of interest equal to sixty-seven percent (67%) of the prime lending rate of Chase Manhattan Bank, N.A., New York, New York, as of June 1, 1989, and as of June 1, 1994. In no event, however, shall the Adjusted Interest Rate be less than ten percent (10%) per year.

The amount of monthly installments of principal and interest shall be readjusted on June 1, 1989 and June 1, 1994 to reflect the changes in the interest rate on this bond as determined by the Adjusted Interest Rate on each of such dates. The installments shall be adjusted effective as of June 1, 1989 and June 1, 1994 so as to fully amortize the outstanding principal balance through level payments over the remainder of the term of the bond.

Both principal of and interest on the Bond shall be payable in lawful money of the United States of America, but only from the revenues and receipts of the Project derived by the Lessor and pledged to the payment thereof as hereinafter provided. Principal and interest shall be payable by good and sufficient check or draft delivered to the registered holder of the Bond at its address as it appears on registration books kept by the Bond Registrar, or at such other address as the Bondholder may designate.

During any period of default in any of the Debt Instruments, as defined in the Lease, the entire unpaid principal amount of the Bond, at the option of the holder of the Bond, shall bear interest at the Interest Rate for Advances, as defined in the Lease.

In the event interest on the Bond becomes taxable under the circumstances described in Section 209, interest on the Bond shall be automatically increased to the rate set forth in such Section.

Section 203. Execution of Bond. The Bond shall be signed by the manual signature of the President of the Commission, and the seal of the Lessor shall be affixed thereto and attested by the manual signature of the Clerk of the Commission. In case any officer whose signature shall appear on the Bond shall cease to be such officer before the delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The Bond may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

### Section 204. Execution of Lease, Bond Purchase Agreement, Deed of Trust etc.

(a) The execution, delivery and performance of the Lease, the Bond Purchase Agreement, the Assignment and the Deed of Trust are hereby authorized. The Lease, the Bond Purchase Agreement, the Assignment and the Deed of Trust shall be in substantially the forms submitted to this meeting, with such changes, insertions or omissions as may be approved by the President of the Commission, whose approval thereof shall be conclusively evidenced by the execution of such documents containing such changes, insertions or omissions.

(b) The President of the Commission is hereby authorized to execute on behalf of the Lessor the Lease, the Bond Purchase Agreement, the Deed of Trust, the Assignment and the Bond, and the Clerk of the Commission is hereby authorized to affix thereto and attest the seal of the Lessor; and each such officer is hereby authorized to execute and deliver such additional instruments, agreements and documents on behalf of the Commission or the Lessor and to execute and deliver all instruments, agreements, documents or certificates, and to do and perform all things and acts, as each such officer shall deem necessary or appropriate in furtherance of the issuance of the Bond and the carrying out of the transactions authorized by this Resolution or contemplated by the instruments referred to in this Resolution; and all of such things and actions heretofore done or performed by the officer of the Commission or the Lessor or by the Lessor and the Commission are in all respects approved, ratified and confirmed.

Section 205. Form of Bond. The Bond shall be substantially in the form hereinabove set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution or the Act, and may have endorsed thereon such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 206. Delivery of Bond. The President of the Commission shall execute and deliver the Bond upon receipt of payment therefor and when there have been filed with the Commission and Bank of Charles town the following:

(a) A certified copy of the Resolution, authorizing (i) the execution and delivery of the Agreement, the Bond Purchase Agreement, the Assignment and the Deed of Trust and (ii) the issuance, sale, execution and delivery of the Bond.

(b) Original executed counterparts of the Deed of Trust, the Agreement and any guaranty agreement that is required.

(c) Written evidence as to the status of title to any real properties secured by the Deed of Trust in form and substance acceptable to Bank of Charles Town.

(d) A written Opinion of Counsel serving as counsel to the Lessee, expressing the conclusion that the execution and delivery of the Lease and the Bond Purchase Agreement have been duly authorized by the Lessee; that the Lease and the Bond Purchase Agreement are valid, binding and enforceable in accordance with their terms; and that the Lessee is duly authorized, validly existing and in good standing under the laws of the State of West Virginia.

(e) A certificate of the Lessee representing that the maturity of the Bond does not exceed the average expected economic life of the Project facilities by more than twenty percent, as required by Section 103 (b)(14) of the Code, and that at least twenty percent of the rental units composing the Project shall be occupied by individuals of low or moderate income (as defined by Code Section 103 (b) (12)(c)) throughout the qualified project period (defined by Code Section 103 (b)(12) (B)), as required by Section 103 (b)(4) of the Code.

(f) A written opinion of Goodwin & Goodwin, Charleston, West Virginia that the issuance of the Bond has been duly authorized.

The proceeds of the Bond shall be deposited by the Lessor in the Construction Account pursuant to the Bond Purchase Agreement.

Section 207. Registration of Bond; Persons Treated as Lessee. The Bank of Charles Town shall act as Bond Registrar and shall maintain a registration book for the registration and transfer of the Bond. No security or Bond shall be required of the Bond Registrar in the performance of its duties. The transfer of any Bond may be registered only upon the books kept for the registration and registration of transfer of the Bond upon the surrender of the Bond to the Bond Registrar together with an assignment duly executed by the registered owner in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer the Lessor shall execute and deliver in exchange for such Bond a new registered Bond, without coupons, registered in the name of the transferee, including any necessary endorsements thereto to indicate prepayments, if any, thereon. Prior to due presentment for registration of transfer the Lessor shall treat the registered owner of the Bond as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner of the Bond.

Section 208. Mutilated, Lost, Stolen or Destroyed Bond.

(a) In the event a Bond is mutilated, lost, stolen or destroyed, the Lessor may execute and deliver, a new Bond of like maturity, interest rate and principal amount bearing the same number as the mutilated, destroyed, lost or stolen Bond, in exchange and substitution for an upon cancellation of the mutilated Bond, or in substitution for the Bond so destroyed, lost or stolen. In every such case of exchange or substitution, the applicant shall furnish to the Lessor (i) such security or indemnity as may be required by the Lessor to save it harmless from all risks, however remote, and (ii) evidence to its satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Lessor may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Lessor. In case the Bond has matured or is about to mature and shall become mutilated or shall be destroyed, lost or stolen, the Lessor may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Lessor such security or indemnity as the Lessor may require to save the Lessor harmless from all risks, however remote, and evidence to the satisfaction of the Lessor of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this Section 208 shall constitute an additional contractual obligation of the Lessor (whether or not the destroyed, lost or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Resolution equally and proportionately with any other Bond duly issued under this Resolution.

(c) The Bond shall be held and owned upon the express condition that the provisions of this Section 208 are exclusive, with respect to the replacement of payment of any mutilated, destroyed, lost or stolen Bond, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or hereinafter enacted to the contrary.

Section 209. Determination of Taxability. If at any time for any reason, a final determination is made that a holder of the Bond is required to treat any payment of interest or part thereof on the Bond as subject to Federal tax imposed or measured by income (except solely as the result of the holder's own action or inaction), (i) the holder of the Bond may direct the Lessor to call the Bond and thereupon shall be entitled to immediately receive full payment of the Bond and full payment of all other amounts due under the Debt Instruments, and (ii) the interest rate on the Bond with respect to all payments as to which the holder is so required to treat as subject to such Federal tax shall be automatically increased to the Interest Rate for Advances, as defined in the Lease, effective retroactively to the date of the first taxable payment of interest. Any interest being past due on the Bond by reason of an increase in the rate of interest on the Bond due to such determination shall become immediately due and payable. In the event the interest rate on the Bond shall be so increased, the monthly installments or principal and interest payable thereon shall be increased so as to fully amortize the outstanding principal amount of the Bond over the remainder of the original installment dates.

Section 210. Findings and Determinations of the Commission. The Commission hereby determines that the authorization, issuance and sale of the Bond and the financing of the Project will promote the purposes of the Act; will promote the present and prospective health, happiness, safety, right of gainful employment and general welfare of the citizens of the Lessor; and will result in new employment in Jefferson County, West Virginia.

Section 211. Cancellation and Disposition of Bond. When a Bond shall have been paid (whether at maturity, by acceleration or call for prepayment or otherwise) or delivered to the Lessor by the Lessee or the Bondholder for cancellation, it shall not be reissued, and the Lessor shall, cremate, shred or otherwise dispose of the Bond.

#### ARTICLE III

##### Prepayment of the Bond

Section 301. Prepayment of Bond. The Bond may be called for prepayment by the Lessor as provided below:

(a) The Bond is subject to mandatory prepayment, at the option of the Bondholder, upon the occurrence of any of the events described in (1), (2) or (3) of Section 12.3 of the Lease, which option shall be exercised by the Bondholder within 30 days after receipt of written notice of any such event by the Bondholder. Prepayment in full shall be made within ninety (90) days from the exercise of such option.

(b) The Bond is subject to prepayment in whole or in part by the Lessor at the written direction of the respective Lessee, provided that all Additional Payments and all other terms, covenants and conditions of the Debt Instruments are satisfied in full. Any partial prepayment shall be applied against the principal amount of the respective Bond outstanding and shall not postpone the due date of any subsequent installment or change the amount of such installments. There shall be no penalty or charge whatever for any prepayment in whole or in part.

(c) The Bond is subject to mandatory prepayment, in part, with the proceeds from the sale of the Bond or from the investments of such proceeds remaining in the Construction Account after the Completion Date as defined in the Lease and not expended to pay the Cost of the Project.

In the event the Bond is prepaid in part, an authorized representative of the Bondholder shall certify the date and amount of such prepayment in the table provided on the Bond.

Section 302. Notice of Prepayment. The Lessee shall cause written notice of any optional prepayment specifying the date on which prepayment is to be made to be delivered to or sent by registered or certified mail not less than 30 nor more than 90 days prior to the prepayment date to the Bondholder at his address as it appears on the registration books kept by the Bond Registrar.

If on or before the date fixed for prepayment funds shall be paid to the Bondholder to pay the principal of a Bond and interest accrued thereon to the prepayment date, the Bond (or any portion thereof) thus called for prepayment shall cease to bear interest from and after the prepayment date, shall no longer be entitled to the benefits provided by this Resolution and shall not be deemed to be Outstanding under the provisions of this Resolution.

#### ARTICLE IV

##### General Covenants and Provisions

Section 401. Payment of Bond. The Lessor shall promptly pay when due the principal of (whether at maturity, by acceleration or call for prepayment or otherwise) and interest on the Bond at the place, on the dates and in the manner provided herein and in the Bond according to the true intent and meaning thereof; provided, however, that such obligations are not general obligations of the Lessor but are limited obligations payable solely from the revenues derived from the financing of the Project, which revenues are hereby specifically pledged to such purposes in the manner and to the extent provided herein. The Bond, and interest thereon shall not be deemed to constitute a charge against the general credit or taxing powers of the Lessor, or a debt or a pledge of the faith and credit of the State of West Virginia or any political subdivision thereof, including the Lessor. The Bond does not constitute an indebtedness of the Lessor within the meaning of the Constitution of West Virginia. Neither the State of West Virginia nor any political subdivision thereof, including the Lessor, shall be obligated to pay the principal of or interest on the Bond or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State of West Virginia or any political subdivision thereof, including the Lessor, is pledged to the payment of the principal of or the interest on the Bond or other costs incident thereto.

Section 402. Covenants and Representations of the Lessor. The Lessor shall faithfully observe and perform all covenants, conditions and agreements on its part contained in this Resolution, in the Bond, and in all its proceedings pertaining thereto; provided, however, that the liability of the Lessor under any such covenant, condition or agreement for any breach or default by the Lessor thereof or thereunder shall be limited solely to the revenues derived from the financing of the Project. The Lessor represents that it is duly authorized under the Constitution and laws of the State of West Virginia, including particularly and without limitation the Act, to issue the Bond authorized hereby; that all action on its part for the issuance of the Bond and the adoption of this Resolution has been duly and effectively taken and that the Bond are and will be valid and enforceable limited obligations of the Lessor, according to the import thereof.

Section 403. Inspection of Project Books. All books and documents in the possession of the Lessor relating to the Project and the revenues derived from the Project shall at all times be open during regular business hours to inspection by such agents as the Lessee or Bondholder may from time to time designate.

Section 404. Rights under Lease, etc. Reference is hereby made to the Lease and the Bond Purchase Agreement copies of which shall be filed with the Bondholder. The Lessor grants to the Bondholder the right to enforce, in its name or in the name of the Lessor, all rights of the Lessor and all obligations of the Lessee under and pursuant to the Lease and the Bond Purchase Agreement and shall, at the request of the Bondholder, enter into, execute and deliver written agreements to such effect.

Section 405. Prohibited Activities. The Lessor covenants that it shall not engage in any activities or take any action which might result in any interest on the Bond becoming taxable to the recipients thereof under the Federal income tax laws.

#### ARTICLE V

##### Defeasance of the Bond

Section 501. Defeasance of Bond. If (a) the Bond has become due and payable in accordance with its terms or otherwise as provided in this Resolution or has been duly called for prepayment or irrevocable instructions to call the Bond for prepayment have been given by the Lessor, (b) the Lessor shall have deposited with the Bondholder for such purpose an amount which will be sufficient (1) to pay in accordance with the relevant Section hereof all portions of the Bond then Outstanding and to pay all amounts, if any, then required by Section 209, on the date of final maturity or on the date on which the Bond is to be prepaid; (2) to pay when due all principal installments on the Bond maturing prior to or simultaneously with such prepayment; (3) to pay interest accruing on the Bond prior to its prepayment or payment at maturity; and (4) to pay to the Trustees their reasonable fees and expenses and any other fees and expenses for which the Lessee is responsible under the Deed of Trust, the Bond Purchase Agreement and the Lease, including the costs and expenses of cancelling and discharging the Deed of Trust, the Bond Purchase Agreement, the Lease and all related agreements, (c) the Lessor has observed and performed all the covenants, conditions and agreements on the part of the Lessor in this Resolution and in the Bond, and (d) all of the terms, covenants and conditions contained in any of the Debt Instruments, as defined in the Lease, have been satisfied in full as determined solely by Bondholder, then the pledged of and lien on the revenues and receipts from the respective Project, and all other moneys and security held for the benefit of the Bondholder shall be released, discharged and satisfied. Subject to the prepayment provisions hereof, the Bond, or any portion thereof, for the payment or prepayment of which, an amount shall have been deposited with the Bondholder (whether upon or prior to the maturity or the prepayment date of such Bond) shall be deemed to be paid and no longer Outstanding; provided, however, that if such Bond, or any portion thereof, is to be prepaid, notice of such prepayment shall have been duly given.

#### ARTICLE VI

##### Default Provisions and Remedies of Bondholder

Section 601. Events of Default. Each of the following events shall be an Event of Default:

- (a) Default in the due and punctual payment of interest on the Bond;
- (b) Default in the due and punctual payment of the principal of the Bond (whether on normal principal installment dates, at maturity, by acceleration or call for prepayment or otherwise);
- (c) Default in the observance or performance of any other covenant, condition or agreement on the part of the Lessee under this Resolution or in the Bond, other than as referred to in paragraphs (a) and (b) of this Section, for a period of thirty (30) days after notice of such default requesting such default to be remedied, given to the Lessee by the Lessor or the Bondholder, unless the Bondholder shall agree in writing to an extension of such time prior to its expiration; or
- (d) An "event of default" under the Lease.

Section 602. Acceleration. If an Event of Default occurs and is continuing, the Bondholder may, without notice to either the Lessor or the Lessee, declare the entire unpaid principal of and interest on the Bond due and payable and, thereupon, the entire unpaid principal of and interest on the Bond shall forthwith become due and payable. Upon any such declaration the Lessor shall forthwith pay to the Bondholder the entire unpaid principal of and accrued interest on the Bond, but only from the revenues and receipts herein specifically pledged for such purpose.

Section 603. Remedies; Rights of Bondholder. Upon the occurrence of an Event of Default the Bondholder may proceed to protect and enforce its rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any agreement herein contained.

Upon the occurrence of an Event of Default and a declaration of acceleration hereunder, the Bondholder may direct the trustees to exercise any remedy authorized pursuant to the Deed of Trust.

No remedy conferred by this Resolution upon or reserved to the Bondholder is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholder hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholder shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 604. Unconditional Right To Receive Principal and Interest. Nothing in this Resolution shall, however, affect or impair the right of the Bondholder to enforce, by action at law, payment of the principal of and interest on a Bond as the same shall become due and payable, or upon the date fixed for prepayment or (subject to the provisions of Section 602) upon the same being declared due prior to final maturity, as herein provided, or the obligation of the Lessor to pay the principal of or interest on the Bond issued hereunder to the holder thereof at the time, place, from the source and in the manner expressed herein and in the Bond.

Section 605. Termination of Proceedings. In case the Bondholder shall have proceeded to enforce any right under this Resolution and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bondholder, then and in every such case the Lessor, the Lessee and the Bondholder shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Bondholder shall continue as if no such proceedings had been taken.

Section 606. Waivers of Events of Default. The Bondholder may in writing in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on a Bond.

#### ARTICLE VII

##### Amendments, etc. to Resolution, Deed of Trust, Bond Purchase Agreement and Lease

Section 701. Amendments, etc. to Resolution, Deed of Trust, Bond Purchase Agreement and Lease. The Lessor shall not amend, rescind, repeal, change or modify this Resolution or consent to any amendment, change or modification of the Deed of Trust, the Bond Purchase Agreement or the Lease without the prior written consent of the Bondholder and the Lessee.

#### ARTICLE VIII

##### Miscellaneous

Section 801. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or Bond is intended or shall be construed to give to any person or company other than the Lessee and the Bondholder, any legal or equitable right, remedy or claim under or in respect to this Resolution or any covenants, conditions and agreements herein contained; this Resolution and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the Lessee and the Bondholder, as herein provided.

Section 802. Limitation of Liability of Members, etc. of Commission. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member, officer, employee or agent of the Commission in his individual capacity, and neither the members of the Commission nor any officer thereof executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No member, officer or agent of the Lessor or the Commission shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Act, provided such director, officer, employee or agent acted in good faith.

Section 803. Notices, etc. Unless otherwise provided herein, all demands, notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when delivered by first class registered or certified mail, postage prepaid, addressed (a) if to the Lessee: Dakridge Associates (A West Virginia Limited Partnership) RFD 1, Box 1100, Charles Town, West Virginia 25414; (b) if to the Lessor, at Jefferson County Courthouse, P.O. Box 250, Charles Town, West Virginia 25414; (c) if to Bank of Charles Town, P.O. Box 906, Charles Town, West Virginia 25414. A duplicate copy of each demand, notice, approval, consent, request or other communication given hereunder shall also be delivered to each of the other parties named herein. The Lessee, the Lessor, or Bank of Charles Town may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

Section 804. Severability. If any clause, provision or section of this Resolution be held illegal or invalid by any court, the illegality of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Resolution shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Resolution be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Lessor to the full extent permitted by law.

Section 805. Applicable Law. The resolution shall be governed by the applicable laws of the State of West Virginia.

This Resolution shall take effect immediately.

WITNESS the signatures and seal of The County Commission of Jefferson County, West Virginia, a public corporation, at a meeting duly and regularly called and held at the Jefferson County Courthouse, Charles Town, West Virginia, on the first day of December, 1983.

(SEAL)

THE COUNTY COMMISSION OF  
JEFFERSON COUNTY, WEST VIRGINIA

By GARLAND H. MOORE, JR. /s/  
President

By HENRY M. SNYDER, JR. /s/  
Commissioner

By ROBERT D. OTT/s/  
Commissioner

By C. B. CLENDENING, III /s/  
Commissioner

By \_\_\_\_\_  
Commissioner

JOHN E. OTT /s/  
Clerk, The County Commission  
of Jefferson County

CERTIFICATE

The undersigned Clerk of the County Commission of Jefferson County, West Virginia (the "Commission") hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Members of the Commission present and voting at a meeting duly called and held on December 1, 1983, in accordance with law, at which a quorum was present and acting throughout, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS my hand and the seal of the County this first day of December, 1983.

(SEAL)

JOHN E. OTT /s/  
Clerk of the County Commission of  
Jefferson County

In re: PUBLIC HEARING HELD - JEFFERSON REAL ESTATE ASSOCIATES

A Public Hearing was conducted for the purpose of receiving comments from the public regarding the issuance of \$1,300,000.00 Industrial Development Revenue Bonds to finance the acquisition and construction of a facility for the manufacture and distribution of furniture in Jefferson County.

Upon recommendation of the Jefferson County Development Authority, as presented by Douglas S. Rockwell, Esquire, and having no opposition shown by the public, motion by Ott, second by Clendening to reaffirm the previous action taken by the Commission on November 17, 1983 in approving and adopting the Inducement Resolution for Jefferson Real Estate Associates. Motion carried.

In re: SHERIFF'S REQUEST FOR FRAMING AND INSTALLATION OF BULLET PROOF GLASS FOR JAIL DOOR - APPROVED

Upon a request made by the Sheriff, motion by Ott, second by Snyder to approve the framing and installation of bullet proof glass for the entrance door of the jail. Motion carried.

In re: PURCHASE OF ACCOUNTS PAYABLE AND PURCHASE ORDER TRACKING SUBSYSTEMS - AUTOMATION COUNSELORS, INC.

Motion by Clendening, second by Ott to approve the purchase of the Accounts Payable and Purchase Order Tracking Subsystems from Automation Counselors, Inc. for the county computer. Motion carried.

The President provided the Commission with an update on the purchase and cleaning of uniforms for inmates at the jail.

The Commission received a letter and a recent article from the Weekley Bond Buyer from Mr. Dennis R. Vaughn, Jr., VAUGHN & WITHROW, regarding the proposed sewer projects.

Upon recommendation of James B. Crawford the hearing on Darrell Knotts vs. Snyder Enterprises, Inc. was rescheduled for Thursday, December 8, 1983, at 1:00 o'clock p.m.

The Commission agreed to have Tom Moses of the United Givers Fund conduct a slide presentation to county employees on Wednesday, December 7, 1983.

Action was taken in the regular manner to approve the following Purchase Orders:

| <u>NAME:</u>                | <u>AMOUNT:</u> | <u>PURPOSE:</u>   |
|-----------------------------|----------------|---|
| <u>ASSESSOR</u>             |                |   |
| P.O. #6940                  | \$1,809.35     | Casto & Harris - Binders  |
| <u>CIRCUIT CLERK</u>        |                |   |
| P.O. #8101                  | 115.95         | Casto & Harris - Civil Order Book   |
| P.O. #8529                  | 690.00         | 3M Company - Service Contract on Copier   |
| <u>COUNTY COMMISSION</u>    |                |   |
| P.O. #8562                  | 2,400.00       | Howard, Needles, Tammen & Bergendoff - Aerial Mapping of Proposed Sewer System              |
| P.O. #8569                  | 425.40         | Quill Corporation - Computer Disks & Disk Storage Cases                                     |
| <u>PROSECUTING ATTORNEY</u> |                |   |
| P.O. #7898                  | 179.63         | Michael D. Thompson - Reimbursement for Trip to Morgantown - Prosecuting Attorney's Seminar |
| P.O. #7947                  | 199.08         | Braun A. Hamstead - Reimbursement for Trip to Morgantown - Prosecuting Attorney's Seminar   |
| P.O. #7948                  | 203.60         | Melody H. Gaidrich - Reimbursement for Trip to Morgantown - Prosecuting Attorney's Seminar  |
| <u>SHERIFF'S LAW OFFICE</u> |                |   |
| P.O. #8498                  | 173.99         | Jay's Sunoco - Repairs on 1979 Ford   |
| P.O. #8566                  | 244.50         | S. Spencer Moore Co. - Type 52 Film   |
| <u>SHERIFF'S TAX OFFICE</u> |                |   |
| P.O. #8568                  | 160.00         | Pifer Office Supply - Putty Work Station  |

The following miscellaneous claims were this day examined by the Commission and ordered paid:

Miscellaneous:

|                                 |           |                                 |         |
|---------------------------------|-----------|---------------------------------|---------|
| C & P Telephone Co.             | \$ 577.20 | General Telephone of Southeast  | \$ 8.90 |
| James Bowers                    | 64.72     | Russell H. Shackelford          | 41.65   |
| Kisner Plumbing & Heating       | 29.74     | A.B. Dick Products Co., Inc.    | 54.00   |
| Kent Parsons Ford               | 205.62    | Charleston Newspapers           | 36.00   |
| The Evening Journal             | 60.00     | The Herald-Mail                 | 26.40   |
| Chandler Publishing, Inc.       | 98.00     | International Business Products | 477.18  |
| Pifer Office Supply, Inc.       | 206.39    | Southern States - C.T. Co-op.   | 298.65  |
| James C. Tabb                   | 5.50      | Palmer Sign Company             | 15.00   |
| John Kussner & Associates, Inc. | 25.00     |                                 |         |

Revenue Sharing:

|                            |          |                             |          |
|----------------------------|----------|-----------------------------|----------|
| Thomas E. Owens, Jr., P.M. | \$ 20.00 | Jefferson Memorial Hospital | \$ 20.00 |
| Pifer Office Supply, Inc.  | 270.00   |                             |          |

Magistrate Court Fund:

General County Fund \$ 735.00

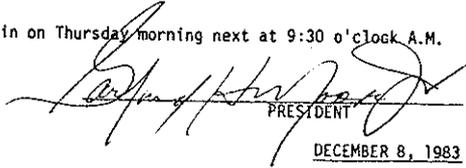
Dog Tax Fund:

Southern States C.T. Co-op. \$ 92.67

Health Center Fund:

Peoples Supply Farm Machinery, Inc. \$ 34.20

Upon rising, Commission adjourned, to meet again on Thursday morning next at 9:30 o'clock A.M.

  
PRESIDENT

DECEMBER 8, 1983

REGULAR TERM

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

At a Regular Term of the County Commission of said County and State, continued and held at the Courthouse thereof on Thursday, December 8, 1983, beginning at 9:30 o'clock A.M.

PRESENT: Garland H. Moore, Jr., President;  
Charles B. Clendening, III; Henry M. Snyder, Jr.;  
Gary L. Phalen; Robert D. Ott; Commissioners.

In re: FIDUCIARY COMMISSIONER APPOINTMENT - CHARLES H. MILLER

Motion by Snyder, second by Clendening to appoint Charles H. Miller as Fiduciary Commissioner for Jefferson County, term to commence January 1, 1984 and to continue at the will and pleasure of the County Commission. Motion carried.

In re: PUBLIC DEFENDER CORPORATION - BOARD MEMBER APPOINTMENT - RICHARD G. CLARK

Upon recommendation of George Rutherford, motion by Phalen, second by Clendening to appoint Richard G. Clark as a director to the local Public Defender Corporation to serve at the will and pleasure of the Commission. Motion carried.

In re: DEFAULT ON MAINTENANCE BOND - FOUR M PROPERTIES, INC. - WALNUT GROVE SUBDIVISION, SECTION E

Upon recommendation of the Planning Commission, motion by Clendening, second by Ott to approve a draw on the Maintenance Bond of Four M Properties, Inc., Walnut Grove Subdivision, Section E, in the amount of \$825.00, for the default of said Maintenance Bond. Motion carried.

In re: EXECUTIVE SESSION - PERSONNEL

Motion by Phalen, second by Snyder to go into Executive Session for the purpose of discussing personnel matters. Motion carried.

Motion by Ott, second by Snyder to adjourn from Executive Session to return to Regular Session. Motion carried. No action was taken.

Bill Henshaw presented the Commission with a report prepared by the Farmland Advisory Committee on The Development and Use of the Land Evaluation and Site Assessment (LESA) System for the Definition of Important Farmlands in Jefferson County.

George E. Vickers and Henry E. Jovanelly presented the Commission with a check in the amount of \$3,500.00 representing the rent for 1983 for the use of the Sam Michael's Farm for the semi-annual Mountain Heritage Arts and Crafts Festival.

The Commission approved the signing of the Revenue Sharing Certification submitted by the Office of the Secretary of the Treasury, Washington, D.C.

The Dog Warden Report for the month of November, 1983 showed that 60 dogs had been impounded.

The Switchboard Activity Report showed an average of 270 calls per day during the month of November, 1983.

The Commission received the Landfill Report for the month of November, 1983 showing an income of \$9,662.00.

State of West Virginia, County of Jefferson, Sct.

Clerk's Office of the County Commission of Jefferson County, at Charles Town, in said State, exercising Probate Jurisdiction.

I, JOHN E. OTT, Clerk of said Commission having by law the custody of the seal, and all papers, books, documents and papers of or pertaining to said Commission, hereby certify the paper hereto annexed to be a true copy appertaining to said Commission and on file and of record in said office, to-wit:

These minutes from the Regular Term meeting of the County Commission of Jefferson County was held on December 1, 1983 and was recorded in the Law Order Book W, at Page 397.



In attestation whereof I have hereunto set my hand and affixed the seal of said Commission

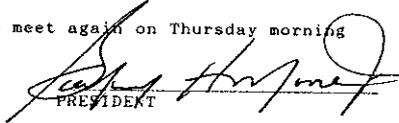
this \_\_\_\_\_ 26th \_\_\_\_\_ day of

November \_\_\_\_\_, A. D., 1987

John E. Ott  
Clerk of said Commission

|                       |          |  |
|-----------------------|----------|--|
| P.O. #18168           | 277.63   | Butterkrust Baking Company - Food for December                   |
| PLANNING COMMISSION:  |          |  |
| P.O. #18180           | 1,160.00 | Davis, Renn & Shrader, Inc. - Engineering Services - 10/25-11/29 |
| P.O. #18181           | 219.00   | Pifer Office Supply - 1 Executive Swivel Chair                   |
| SHERIFF'S LAW OFFICE: |          |  |
| P.O. #18179           | 2,268.00 | Jail Fees for December   |
| P.O. #18190           | 230.50   | Roy's Glass - Windshield for Jimmy                               |
| SHERIFF'S TAX OFFICE: |          |  |
| P.O. #18201           | 181.87   | Jefferson Publishing Company, Inc. - Listing of Real Estate Sold |

Upon rising, Commission adjourned to meet again on Thursday morning next at 9:30 o'clock A.M.

  
PRESIDENT

REGULAR TERM:

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

At a Regular Term of the County Commission of said County and State, continued and held at the Courthouse thereof on Thursday, January 21, 1988, beginning at 9:30 o'clock A.M.

PRESENT: Garland H. Moore, Jr., President;  
Charles H. Strider, Jr.; Charles B. Clendening;  
Henry W. Morrow; R. Gregory Lance; Commissioners.

In re: DISPENSE WITH READING OF MINUTES  
Motion by Lance, second by Strider to dispense with the reading of the Minutes for the meeting held on Thursday, January 14, 1988 and to approve the Minutes as prepared. Motion carried.

In re: RESIGNATION ACCEPTED - BONNIE CARROLL - BOLIVAR-HARPERS FERRY LIBRARY BOARD  
Motion by Clendening, second by Strider to accept, with regret, the resignation of Bonnie Carroll from the Bolivar-Harpers Ferry Library Board, effective February 2, 1988, and that a letter of appreciation be directed to Mrs. Carroll. Motion carried.

In re: APPOINTMENT APPROVED - CAROLYN WATSON - BOLIVAR-HARPERS FERRY LIBRARY BOARD  
Upon recommendation of the Bolivar-Harpers Ferry Library Board, motion by Lance, second by Clendening to approve the appointment of Carolyn Watson to the Bolivar-Harpers Ferry Library Board for the remainder of a five (5) year term, expiring December 31, 1988. Motion carried.

In re: PURCHASE OF SURPLUS PROPERTY APPROVED  
Motion by Lance, second by Clendening to approve the purchase of a 1977 communications van and a 400 gallon insulated water tank from the West Virginia Agency for Surplus Property. Motion carried.

In re: PUBLIC HEARING HELD - PROPOSED AMENDMENT IN SCOPE OF ACTIVITIES FOR THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT TO ALLOW FOR PROVISION OF WATER  
The Commission conducted a Public Hearing at 11:00 a.m. for the purpose of amending the scope of activities of the Jefferson County Public Service District to allow for the provision of water. Comments were received from those in attendance. ✓

In re: DECISION TO AMEND THE SCOPE OF ACTIVITIES FOR THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT TO ALLOW FOR THE PROVISION OF WATER  
 Upon consideration of comments received from the public, motion by Lance, second by Strider to adopt the following Resolution amending the scope of activities for the Jefferson County Public Service District to allow for the provision of water. Motion carried.

IN THE COUNTY COMMISSION OF JEFFERSON COUNTY, WEST VIRGINIA

IN THE MATTER OF:  
 Amendment of scope of Activities of the Jefferson County Public Service District.

ORDER

Having upon its own motion entered an Order on December 24, 1987, proposing the amendment of the scope of activities of the Jefferson County Public Service District for the purpose of allowing for the provision of public water as provided for in Chapter 16, Article 13A, of the West Virginia Code, as amended, and having provided public notice in compliance with Chapter 16, Article 13A, Section 2, and having held the public hearing required therein; the County Commission of Jefferson County does, upon consideration of the testimony and evidence produced before it find the amendment proposed feasible, convenient, and conducive to the preservation of the public health and convenience.

Therefore, it is ORDERED that the activities of the Jefferson County Public Service District be amended to allow for the provision of water within the current boundaries of the District and to provide authority for the District to do all those things necessary and incidental to diverting, developing, pumping, impounding, treating, storing, distributing, or furnishing water to or for the public for industrial, public, private, or other uses as provided for by Chapter 16, Article 13A of the West Virginia Code, as amended. Provided, however, that no authorization or authority provided herein shall be so construed so as to permit or allow the Public Service District to unduly interfere in the current efforts of the City of Charles Town to improve and increase the availability of public water by constructing a water intake on the Shenandoah River or to pay for the same by providing service to customers currently residing within the District.

In re: BI-ANNUAL VOTER REGISTRATION

Upon a request made by John E. Ott, County Clerk, motion by Clendening, second by Strider to forego the bi-annual house to house voter registration and substitute post card voter registration, special courthouse hours, proper notice by publication, and the placement of post-card registration forms at County Libraries and U.S. Post Offices. Motion carried.

The Commission received a map identifying boundaries of Summit Point for the establishment of a Dog Leash Law. The Commission directed the County Administrator to clarify and identify the boundaries and to secure an adequate description of said area to be filed in the Jefferson County Clerk's Office.

The Commission directed the County Administrator to prepare a letter to Judge Thomas Steptoe, Jr. requesting authorization to pay two-thirds of the amount for the replacement of the boiler in the County Building from the Magistrate Court Fund.

President Moore provided the Commission with an update on the Governor's Conference on Health and Disease Promotion which he attended in Charleston.

The Commission received the following information:

A reminder of the Ranson Flood Study Meeting scheduled for Tuesday, January 26, 1988, at 7:00 p.m., at Ranson Elementary School.

A reminder of a Public Hearing regarding Shenandoah Wood Products scheduled for Wednesday, January 27, 1988, at 7:00 p.m., in the Circuit Courtroom.

Development Authority Minutes for their meetings held on December 17, 1987, December 22, 1987, and January 4, 1988.

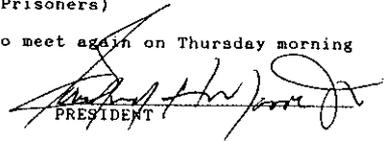
A Racing Commission Check for interest earned during the period of October 1, 1987 through December 31, 1987, in the amount of \$62.25.

A Planning Commission Regular Meeting Notice for Tuesday, January 26, 1988, at 7:30 p.m.

Action was taken in the regular manner to approve the following Purchase Orders:

| NAME:                        | AMOUNT:  | PURPOSE:   |
|------------------------------|----------|--|
| <b>COUNTY CLERK:</b>         |          |  |
| P.O. #18206                  | \$129.30 | Xerox Supplies - Ribbons for Memory Typewriter   |
| P.O. #18207                  | 530.00   | Dayton Legal Blank Company - Judgment Lien Docket Book   |
| <b>COUNTY COMMISSION:</b>    |          |  |
| P.O. #18159                  | 109.63   | Dunn & Seibert Sales Company - Tires, Valves, & Mounts - Blue Ridge Fire Company                                   |
| P.O. #18216                  | 5,935.62 | Automation Counselors - Various Past Due Invoices  |
| P.O. #18223                  | 1,890.00 | William K. Jones, Consulting Hydrologist - Services - Ground Water Study - 10/10-12/26                             |
| P.O. #18224                  | 1,937.10 | General Telephone - Local Service 1/13-2/13 & Long Distance Charges for Month of December                          |
| P.O. #18229                  | 100.00   | Worthless Check Fund - Services Rendered for January   |
| P.O. #18235                  | 1,272.50 | Gilbert L. Hall, Esquire - Professional Services - Commission vs. Giardina - 11/17-12/18                           |
| <b>COURTHOUSE:</b>           |          |  |
| P.O. #18217                  | 136.84   | Whitmore Lumber Company - Installation of Sump Pump  |
| <b>JAIL:</b>                 |          |  |
| P.O. #18193                  | 654.80   | Frederick Produce Company - Food for December  |
| P.O. #18194                  | 228.29   | Shenandoah Pride Dairy - Food for December   |
| P.O. #18195                  | 107.95   | Cline's Egg Farm - Food for December   |
| P.O. #18196                  | 737.56   | Shenandoah Foods - Food for December   |
| P.O. #18199                  | 324.76   | Bob Barker Company - Shaving Cream, Soap, Toothpaste, & Socks  |
| <b>SHERIFF'S LAW OFFICE:</b> |          |  |
| P.O. #18215                  | 147.67   | Stuck & Alger Pharmacy - Supplies for December   |
| P.O. #18218                  | 181.90   | Art's Auto & Truck Repair - Emergency Repair to 1986 Dodge & Inspection, Lube, Oil Change, & Check Fluids on Jimmy |
| P.O. #18225                  | 3,750.00 | Mineral County Commission - Housing of Prisoners for December (5 Prisoners)  |

Upon rising, Commission adjourned to meet again on Thursday morning next at 9:30 o'clock A.M.

  
 PRESIDENT

# State of West Virginia, County of Jefferson, Sct.

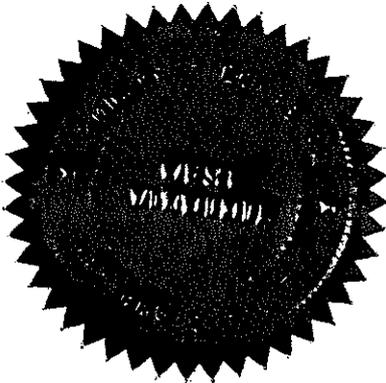
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Clerk's Office of the County Commission of Jefferson County, at Charles Town, in said State, exercising Probate Jurisdiction.

I, JOHN E. OTT, Clerk of said Commission having by law the custody of the seal, and all papers, books, documents and papers of or pertaining to said Commission, hereby certify the paper hereto annexed to be a true copy appertaining to said Commission and on file and of record in said office, to-wit:

These minutes from the Regular Term meeting of the County Commission of Jefferson County was held on January 21, 1988 and was recorded in the Law Order Book Y, at Page 210.

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In attestation whereof I have hereunto set my hand and affixed the seal of said Commission

this 26th day of

November, A. D., 1997

\_\_\_\_\_  
Clerk of said Commission

**PRESENT:** Garland H. Moore, Jr., President;  
Charles B. Clendening; Charles H. Strider, Jr.;  
Henry W. Morrow; Commissioners.

Commissioner Moore reviewed the Real Estate Book A-Z for Middleway District.

Commissioner Clendening reviewed the Real Estate Book A-Z for Harpers Ferry District and Bolivar Corporation.

Commissioner Morrow reviewed the Real Estate Book A-Z and Personal Property Book A-Z for Shepherdstown District.

Commissioner Strider reviewed the Real Estate Book A-Z for Kabletown District.

No applications being presented to the Board, the Board adjourned to meet again on Tuesday afternoon next at 1:30 o'clock P.M. for the Board of Equalization and Review.

*Garland H. Moore, Jr.*  
PRESIDENT

**REGULAR TERM:**

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

At a Regular Term of the County Commission of said County and State, continued and held at the Courthouse thereof on Thursday, February 25, 1988, beginning at 9:30 o'clock A.M.

**PRESENT:** Garland H. Moore, Jr., President;  
Charles B. Clendening; Charles H. Strider, Jr.;  
Henry W. Morrow; R. Gregory Lance; Commissioners.

**In re: DISPENSE WITH READING OF MINUTES**

Motion by Clendening, second by Lance to dispense with the reading of the Minutes for the meetings held on Thursday, February 18, 1988 and Tuesday, February 23, 1988. Motion carried.

**In re: REAPPRAISAL AGREEMENTS APPROVED**

Motion by Morrow, second by Clendening to approve the following Reappraisal Agreements submitted by the Assessor for the Commission's approval on Thursday, February 18, 1988. Motion carried.

| NAME:           | DISTRICT:     | MAP: | PARCEL: | SUFFIX: |
|-----------------|---------------|------|---------|---------|
| Nancy Anderson  | Kabletown     | G    | 40      |         |
| Frank B. Brown  | Kabletown     | 6J   | 100     |         |
| Donald Cogswell | Harpers Ferry | 6L   | 75      |         |
| Donald Cogswell | Harpers Ferry | 6L   | 74      |         |
| Charles Duke    | Kabletown     | 6F   | 116     |         |
| Charles Duke    | Kabletown     | 6F   | 117     |         |
| Mary Hahn       | Kabletown     | 6J   | 95      |         |
| Frank Moss      | Kabletown     | 6L   | 12      |         |

**In re: REAPPRAISAL AGREEMENTS RECEIVED**

Upon recommendation of the Assessor, motion by Morrow, second by Lance to accept for review the following Reappraisal Agreements. Motion carried.

| NAME:            | DISTRICT:     | MAP: | PARCEL: | SUFFIX: |
|------------------|---------------|------|---------|---------|
| George Weare     | Kabletown     | 6L   | 66      |         |
| Richard Williams | Kabletown     | 6L   | 68      |         |
|                  | Harpers Ferry | 6J   | 1       |         |

**In re: DECISION RENDERED - MILLBROOK CHAMBER ORCHESTRA - REQUEST FOR FUNDING**  
Motion by Lance, second by Strider to deny the request from Millbrook Chamber Orchestra for funds in the amount of \$3,000.00 to fund a Youth Concert scheduled for March 4, 1988 and to suggest that they submit a request for funding for the ensuing Fiscal Year. Motion carried.

**In re: RESOLUTION ADOPTED - RESTRUCTURING OF RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 1980A**

Motion by Lance, second by Strider to consider the restructuring Resolution tabled earlier in the meeting and to approve adoption of the same. Motion carried, Commission Morrow abstained.

RESOLUTION

RESOLUTION OF THE COUNTY COMMISSION OF THE COUNTY OF JEFFERSON AUTHORIZING AND DIRECTING THE DEFEASANCE OF THE \$15,000.00 RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 1980A AND THE ISSUANCE OF COLLATERALIZED MORTGAGE OBLIGATIONS IN CONNECTION WITH THE SAID DEFEASANCE AND DESIGNATING UNDERWRITERS AND TRUSTEE IN CONNECTION WITH SUCH DEFEASANCE AND ISSUANCE.

WHEREAS, the County Commission of the County of Jefferson ("the Commission") issued its \$15,000,000 Residential Mortgage Revenue Bonds, Series 1980A ("the Bonds") and the proceeds were used to finance home mortgage loans to qualified homebuyers; and WHEREAS, the commission has determined there may be financial benefit to the Commission for appropriation and use in any manner as may be determined by the Commission as a result of defeasing the Bonds and issuing Collateralized Mortgage Obligations ("the Obligations"); NOW THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSION OF THE COUNTY OF JEFFERSON, WEST VIRGINIA:

Section 1. That Baker, Watts & Co., Inc. and B. C. Christopher Securities Co. are hereby designated as Underwriters to the Commission in connection with the defeasance of the Bonds and issuance of the obligations;

Section 2. That Charleston National Bank is hereby designated Trustee in connection with the defeasance of the Bonds and issuance of the Obligations;

Section 3. That said Underwriters shall deliver to the Commission for final approval a firm offer of financial benefit together with all definitive documents, instruments and other materials prepared or caused to be prepared by the Underwriters and by Bond Counsel;

Section 4. That the provisions of this resolution are not intended to, and shall not be construed or interpreted to, either (a) obligate or authorize the expenditure of any funds or monies of Jefferson County ("the County") derived from any source whatsoever other than the proceeds derived from the defeasance of the Bonds and the issuance of the Obligations as provided for in this resolution, or (b) create any personal liability of any officer or member of the Commission or any official or employee of the County, present or future; and

Section 5. That this resolution shall take effect immediately.

In re: WATER QUALITY LEGISLATION

Motion by Lance, second by Clendening not to take a position on proposed Water Quality Legislation presented. Motion carried.

In re: DECISION RENDERED - VALIDITY OF WILL - CROMWELL HALL ESTATE

Motion by Clendening, second by Lance to declare the will presented by Delia Hall for the estate of Cromwell Hall invalid as he was not of testamentary capacity on December 1, 1987 the date of the Will. Motion carried, Commissioner Morrow abstained.

In re: DECISION RENDERED - APPOINTMENT OF EXECUTRIX - CROMWELL HALL ESTATE

Motion by Clendening, second by Lance to deny Delia Hall's request for appointment as Executrix for the estate of Cromwell Hall by reason of her having been convicted of a criminal offense and to appoint Betty Braxton as the Executrix for the estate. Motion carried, Commissioner Morrow abstained.

In re: APPROVAL OF ZONING CONSULTANT CONTRACT - FOX AND ASSOCIATES, INC.

Motion by Clendening, second by Lance to authorize the President to affix his signature to the Zoning Consultant Contract with Fox and Associates, Inc. Motion carried.

In re: RESOLUTION ADOPTED - JEFFERSON COUNTY EMERGENCY OPERATING PLAN

Motion by Lance, second by Strider to adopt the following Resolution approving and implementing Jefferson County's Emergency Operating Plan. Motion carried.

JEFFERSON COUNTY EMERGENCY OPERATIONS PLAN

RESOLUTION

WHEREAS, Pursuant to the State Emergency Services Act (West Virginia Code, Chapter 15, Article 5, as amended, Jefferson County has established the Jefferson County Office of Emergency Services;

WHEREAS, the Jefferson County Office of Emergency Services is, to the limits of its capabilities, responsible for the disaster preparedness activities within Jefferson County;

WHEREAS, the Jefferson County Office of Emergency Services has established the "Jefferson County Emergency Operations Plan", which established specific organizational responsibilities and prescribes actions necessary to mitigate potential consequences to the Jefferson County populace, either manmade or natural disasters or emergencies;

WHEREAS, the "Jefferson County Emergency Operations Plan" was written to be responsive to Federal requirements contained in the Intergrated Emergency Management System (IEMS) concept, and is subject to approval by the Federal Emergency Management Agency (FEMA); and that the plan will be upgraded annually to maintain a current level of preparedness and to address changing Federal, State and/or Jefferson County requirements;

NOW THEREFORE IT IS RESOLVED, ORDERED AND DETERMINED, that the County Commission does hereby approve and adopt the "Jefferson County Emergency Operations Plan", which is filed in the Office of the Jefferson County Commission at the Courthouse, Charles Town, West Virginia and which is incorporated herein by this reference.

PASSED AND ADOPTED by the County Commission of Jefferson County, State of West Virginia, this 25th day of February 1988.

In re: AUTHORIZATION FOR TRANSFER OF BURR-MCGARRY PROPERTY  
Motion by Clendening, second by Lance to authorize the transfer of the Burr-McGarry property to the Jefferson County Development Authority and to authorize the President to affix his signature to the necessary documents to allow said transfer. Motion carried.

In re: PUBLIC HEARING HELD - MINOR BOUNDARY ADJUSTMENT - CORPORATION OF RANSON  
A Public Hearing was conducted for the purpose of receiving comments from the public regarding a request on the annexation of property located adjacent to the corporate boundaries of Ranson. There being no opposition voiced by the public, the Public Hearing was ordered closed at 11:10 a.m.

In re: APPROVAL OF PURCHASE WEAPONS - SHERIFF'S LAW OFFICE  
Motion by Clendening second by Lance to authorize the purchase of 9mm semi-automatic weapons for the Sheriff's Law Office, in cooperation with the Deputy Sheriff's Association, contingent upon funds being available. Motion carried, Commissioner Morrow opposed.

In re: FINAL ACCOUNTING APPROVED - JAMES L. CLARK ESTATE  
Motion by Morrow, second by Clendening to approve the Final Accounting for the estate of James L. Clark. Motion carried.

In re: REQUEST FOR SHORT-TERM LOAN APPROVED - JEFFERSON COUNTY PUBLIC SERVICE DISTRICT  
Upon a request made by the Public Service District, motion by Clendening, second by Strider to authorize a short-term loan of not more than \$15,000.00 to the Jefferson County Public Service District, to be repaid along with funds previously provided at such time as federal and state funding is received. Motion carried.

In re: DONALD R. GIARDINA - REQUESTED TO FILE FINAL ACCOUNTINGS ON ESTATES  
Motion by Lance, second by Clendening to direct the Prosecuting Attorney's Office to prepare a notice to be served by the Sheriff's Law Office directing Donald R. Giardina to appear before the County Commission within 10 days to present a final accounting on those committees to which he was appointed by the County Commission or to show cause why he cannot do so. Motion carried.

In re: AMENDMENT OF ORDER PREVIOUSLY ADOPTED - AMENDMENT OF SCOPE OF ACTIVITIES FOR THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT TO ALLOW FOR PROVISION OF WATER  
Motion by Clendening, second by Strider to amend the Order entered on Thursday, January 21, 1988 allowing for the provision of water within the current boundaries of the District as follows. Motion carried.

ORDER

Having upon its own motion entered an Order on December 24, 1987, proposing the amendment of the scope of activities of the Jefferson County Public Service District for the purpose of allowing for the provision of public water as provided for in Chapter 16, Article 13A, of the West Virginia Code, as amended, and having provided public notice in compliance with Chapter 16, Article 13A, Section 2, and having held the public hearing required therein; the County Commission of Jefferson County does, upon consideration of the

testimony and evidence produced before it find the amendment proposed feasible, convenient, and conducive to the preservation of the public health and convenience.

Therefore, it is ORDERED that the activities of the Jefferson County Public Service District be amended to allow for the provision of water within the current boundaries of the district excluding the existing and planned service area of the Charles Town Water System which presently serves Charles Town, Ranson, and Contiguous Area including the growth area as outlined in Comprehensive Study, as amended, of City of Charles Town Water Service Phase II dated December, 1986 done by Kelley, Gidley, Blair & Wolfe, as shown on attached maps, and to provide authority for the District to do all those things necessary and incidental to diverting, developing, pumping, impounding, treating, storing, distributing, or furnishing water to or for the public for industrial, public, private, or other uses as provided for by Chapter 16, Article 13A of the West Virginia Code, as amended.

The Commission held Budget Discussions with the Paul Raco, Planning Director, for the Jefferson County Planning Commission; Jane K. Peters, Executive Director, and James Davis, President, for the Jefferson County Development Authority Budget.

Numerous members of public appeared before the Commission to request the Commission's support in providing funds for the operation of Jefferson County's local public libraries. Speaking on behalf of the citizens were Joyce Rudolph, Summit Point Library; Gary Moreland, Shepherdstown Library; and Mayor Paul Courtney, Bolivar Harpers-Ferry Library.

The Commission received the following information:

A request from Magistrate Court for new pagers. No action was taken by the Commission, pending verification of funds in the Magistrate Court Fund.

Robert Cain, City Manager, City of Charles Town, advised the Commission that the Governor had confirmed action to award grants of \$500,000.00 each to the City of Charles Town and the Jefferson County Public Service District to assist in the planned sewage treatment and collection system.

Planning Commission Minutes for their meeting held on February 9, 1988 and a Public Hearing Notice for March 22, 1988.

Various correspondence from the Region 9 Planning and Development Council to-wit: proposed gas tax increase, review of post office projects, and the Intergovernmental Review process.

A resignation from William Bailey as Dispatcher for the Jefferson County Communications Center.

A Racing Commission Check for the period of February 1, 1988 through February 15, 1988, in the amount of \$1,258.58.

Correspondence from the Chamber of Commerce regarding the \$10,000.00 rent placed on the Sam Michaels' Farm. The Commission directed Commissioner Moore and County Administrator Ash to further discuss the matter and report back to the Commission.

Action was taken in the regular manner to approve the following Purchase Orders:

| NAME:          | AMOUNT:  | PURPOSE:  |
|----------------|----------|---|
| CIRCUIT CLERK: |          |   |
| P.O. #18438    | \$226.72 | The Cott Corporation - Supplies for Computer  |
| COUNTY CLERK:  |          |   |
| P.O. #18436    | 150.78   | Glen B. Gainer, Jr., State Auditor - Jefferson County Wards of the State for Year Ending 12/31/87 |

COUNTY COMMISSION:

|             |          |  |
|-------------|----------|--|
| P.O. #18418 | 547.60   | Dunn & Seibert - 4 Extra Grip 12 Ply Tires - To Be Reimbursed by Brunswick Fire Company                    |
| P.O. #18421 | 3,046.25 | Valley Oil Company - Fuel Oil, Diesel Oil & Kerosene for Courthouse, Jail, County Building & Todd Building |
| P.O. #18434 | 141.29   | Quill Corporation - Address Labels & Diskettes   |
| P.O. #18448 | 600.00   | Facility Design Group, Inc. - Services for County Engineer - 2/1-2/11                                      |

JAIL:

|             |        |   |
|-------------|--------|---|
| P.O. #18428 | 103.00 | General Telephone - Service 2/19-3/19   |
| P.O. #18433 | 400.00 | L.R. Jackson, Jr., D.D.S. - Balance Due 4/28/87-2/11/88                                   |
| P.O. #18437 | 194.00 | Joseph G. McCabe, M.D. - Medical Services for Inmates - Paul Hammersleigh & Peggy Jenkins |

LANDFILL:

|             |        |   |
|-------------|--------|---|
| P.O. #18420 | 748.59 | Millville Quarry, Inc. - 143.96 Tons of Stone |
| P.O. #18422 | 393.84 | Valley Oil Company - Fuel Oil & Diesel        |

MAGISTRATE COURT:

|             |        |   |
|-------------|--------|---|
| P.O. #18445 | 106.77 | General Telephone - Local Service 2/19-3/19           |
| P.O. #18446 | 193.29 | General Telephone - Long Distance Charges for January |

PLANNING COMMISSION:

|             |        |  |
|-------------|--------|--|
| P.O. #18415 | 460.00 | J. Michael Cassell - Professional Services @ \$40.00 |
|-------------|--------|--|

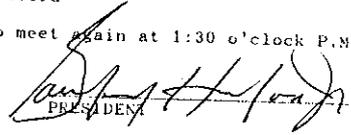
SHERIFF'S LAW OFFICE:

|             |        |   |
|-------------|--------|---|
| P.O. #18425 | 124.75 | Art's Auto & Truck Repair - Miscellaneous Repairs to 1985 Dodge |
|-------------|--------|---|

SHERIFF'S TAX OFFICE:

|             |        |  |
|-------------|--------|--|
| P.O. #18424 | 298.55 | Casto & Harris - Sheriff's Settlement Sheets & Daily Cash Record |
|-------------|--------|--|

Upon rising, Commission adjourned to meet again at 1:30 o'clock P.M. as a Board of Equalization and Review.



PRESIDENT

REGULAR TERM: (Board of Equalization and Review)

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

At a session of the Board of Equalization and Review, continued and held at the Courthouse thereof on Thursday, February 25, 1988, beginning at 1:30 o'clock P.M.

# State of West Virginia, County of Jefferson, Sct.

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Clerk's Office of the County Commission of Jefferson County, at Charles Town, in said State, exercising Probate Jurisdiction.

I, JOHN E. OTT, Clerk of said Commission having by law the custody of the seal, and all papers, books, documents and papers of or pertaining to said Commission, hereby certify the paper hereto annexed to be a true copy appertaining to said Commission and on file and of record in said office, to-wit:

These minutes from the Regular Term meeting of the County Commission of Jefferson County was held on February 25, 1988 and was recorded in the Law Order Book Y, at Page 229.

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In attestation whereof I have hereunto set my hand and affixed the seal of said Commission

this 26th day of  
November, A. D., 1997

\_\_\_\_\_  
Clerk of said Commission

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: April 22, 1988

FINAL

5-12-88

CASE NO. 88-001-W-PC  
JEFFERSON COUNTY COMMISSION

a municipal corporation,  
Charles Town, Jefferson County.

Order amending the scope of Jefferson County  
Public Service District to allow for the  
provision of water service within its  
current boundaries.

RECOMMENDED DECISION

PROCEDURE

On January 4, 1988, the Jefferson County Commission filed an order it entered to amend the scope of the Jefferson County Public Service District (District or PSD) to allow for the provision of water service within the District's current boundaries and to provide authority for the District to do all those things necessary and incidental to diverting, developing, pumping, impounding, treating, storing, distributing, or furnishing water to or for the public for industrial, public, private, or other uses, pursuant to the provisions of the West Virginia Code §16-13A-2.

On March 9, 1988, the Jefferson County Commission filed with the Commission a revised order amending the scope of the Jefferson County Public Service District water utility service area. The purpose of the amended order was to resolve a conflict which existed between the

service areas that the PSD wished to serve and the proposed service area of the City of Charles Town. Enclosed with the amended order was a sketch of the proposed service area for the City of Charles Town, which included additional high growth areas contiguous to the City, and which made reference to a revised service area map contained in a study performed for the City of Charles Town pursuant to Case No. 88-065-W-CN, which is currently pending before the Commission. In addition, the Jefferson County Commission filed the minutes of a County Commission meeting on February 25, 1988, which reflect the amendment to the January 21, 1988, order in an attempt to resolve the conflict between the Jefferson County PSD service area and the City of Charles Town's proposed service area.

By order entered on March 23, 1988, the matters involved herein were scheduled for hearing to be held in Charles Town, Jefferson County, on April 6, 1988, as required by West Virginia Code §16-13A-2, regarding the addition of water utility services to those already authorized for the public service district. The order of March 23, 1988, also required that the Jefferson County Commission publish a copy of the order once in a newspaper published and of general circulation in Jefferson County, making due return to the Commission of such publication prior to the day of hearing.

On April 6, 1988, the Jefferson County Commission filed a Certificate of Publication with the Public Service Commission indicating that notice of the hearing scheduled for April 6, 1988, was published on March 31, 1988 in the Spirit of Jefferson Advocate, a newspaper published and of general circulation in Jefferson County.

The hearing was held as scheduled on April 6, 1988, with David L. Ash, County Administrator, appearing on behalf of the Jefferson County Commission; Robert Cain, City Manager, appearing on behalf of the City of Charles Town; and Daniel L. Frutchey, of the Legal Division, appearing on behalf of the Commission Staff. At the hearing, Mr. Ash presented testimony on behalf of the Jefferson County Commission. No individuals appeared in protest to the petition to expand the scope of services provided by the Jefferson County PSD. At the close of hearing on April 6, 1988, the matters involved herein were submitted for decision with no parties desiring to file briefs in this proceeding.

#### DISCUSSION

The purpose of the hearing held on April 6, 1988, was to satisfy the requirements of West Virginia Code §16-13A-2, which, among other things, requires that the Public Service Commission provide a hearing in the affected county whenever an order is filed with the Public Service Commission by a county commission, creating, expanding, merging or consolidating a public service district. Upon hearing, the Public Service Commission may approve, reject or modify the order of the county commission if it finds it in the best interest of the public to do so. As noted above, only one witness presented testimony at the hearing held on April 6, 1988. David Ash, the County Administrator for the Jefferson County Commission, indicated that the County Commission was attempting to work with the City of Charles Town to insure that water service was being adequately provided throughout the county. The

County Commission, therefore, amended the proposed service area of the PSD to reflect additional areas that the City of Charles Town wished to serve. (Tr., p. 8). At the conclusion of the testimony of Mr. Ash, Staff Attorney Frutchey indicated that Commission Staff is not opposed to the expansion of the services being provided by the Jefferson County Public Service District in any way. (Tr., p. 9).

Upon consideration of the testimony presented at the hearing held on April 6, 1988, and in light of the fact that two public hearings have been held on this matter with no protests having been filed with the Jefferson County Commission or the Public Service Commission of West Virginia and with no individuals appearing at either hearing to protest the expanded authority of Jefferson County Public Service District, the Administrative Law Judge (ALJ) is of the opinion that it is reasonable to approve the order of the Jefferson County Commission entered on January 21, 1988, and amended on February 25, 1988, enlarging the authority of the Jefferson County Public Service District to enable the District to provide water service within the District's existing boundaries.

#### FINDINGS OF FACT

1. Both the Jefferson County Commission and the Public Service Commission of West Virginia have held public hearings on expanding the scope of the services provided by the Jefferson County Public Service District to provide water service within its existing boundaries and no one has appeared to protest the expanded authority at either hearing

and no written protests have been filed with the Public Service Commission regarding the expanded authority of the Jefferson County Public Service District. (See, generally, Transcript of April 6, 1988, and Order filed by the Jefferson County Commission on January 21, 1988).

2. Commission Staff does not oppose the expanded authority of the Jefferson County Public Service District to provide water service throughout its service area. (Tr., p. 9).

3. Notice of the public hearing held on April 6, 1988, regarding the expanded authority of the Jefferson County Public Service District was given by publication. (Certificate of Publication filed April 6, 1988).

#### CONCLUSION OF LAW

It is reasonable for the Public Service Commission to approve the Order of the Jefferson County Commission entered on January 21, 1988, and amended on February 25, 1988, expanding the authority of the Jefferson County Public Service District to provide water service within the District's existing boundaries since such expanded authority will enable those areas to receive water service, since no public protest has been received regarding the expanded authority of the District, and since the expanded authority of the District appears to be reasonable and in the public interest.

ORDER

IT IS, THEREFORE, ORDERED that the Order of the Jefferson County Commission entered on January 21, 1988, and amended on February 25, 1988, expanding the authority of the Jefferson County Public Service District, to enable the District to provide water service within its existing boundaries, except those areas to be served by the City of Charles Town, be, and it hereby is, approved.

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.

*Arnold O. Weiford*

ARNOLD O. WEIFORD  
Chief Administrative Law Judge

1

**REGULAR TERM:**

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

At a Regular Term of the County Commission of said County and State continued and held at the Courthouse thereof on Thursday, August 28, 1997, beginning at 10:00 o'clock a.m.

**PRESENT:** James G. Knode, President;  
R. Gregory Lance; Edgar R. Ridgeway;  
Dean Hockensmith; James K. Ruland; Commissioners

**In re: DISPENSE WITH READING OF MINUTES**

Motion by Hockensmith, second by Ridgeway to dispense with the reading of the Minutes for the meeting held on Thursday, August 21, 1997, and to approve the Minutes as prepared. Motion carried.

**In re: APPROVAL OF PURCHASE ORDERS**

Motion by Ruland, second by Hockensmith to approve the following Purchase Orders for the Week of August 25, 1997, totaling \$4,567.11: 31870, 31887, 31873, 31821, 31814, 31816 and 31871. Motion carried.

**In re: MINIMUM WAGE CHANGE**

Motion by Ridgeway, second by Ruland to acknowledge the minimum rate wage change. Motion carried.

**In re: APPOINTMENT TO THE JEFFERSON COUNTY AMBULANCE AUTHORITY - TABLED**

Nomination by Ridgeway to appoint Charles R. Hall, III to the Jefferson County Ambulance Authority for an unexpired term ending November 2, 1998. Motion by Lance to table the appointments. Motion failed for lack of second. Motion by Hockensmith, second by Ridgeway to close nominations. Motion fails by a 2-3 vote. Motion by Ruland, second by Lance to table the appointments. Motion passed by a 3-2 vote.

**In re: EXONERATIONS**

Upon recommendation of the Assessor, motion by Ridgeway, second by Hockensmith to approve the following Exonerations because of erroneous assessment for the year 1997. Motion carried.

| NAME:              | DISTRICT:    | TYPE:    | AMOUNT: | TICKET#: |
|--------------------|--------------|----------|---------|----------|
| Alpheus B. Hussong | Middleway    | Personal | \$19.44 | 310180   |
| Betty R. Graham    | Charles Town | Personal | \$ 2.44 | 301651   |

**In re: SHERIFF SENSENEY - EQUALIZE SALARY OF TOM HANSEN**

Upon request from Sheriff Senseney to take \$594.15 out of the Concealed Weapons Permit Fee Fund and transfer to the General County Fund to equalize the salary of Tom Hansen, motion by Hockensmith, second by Ruland to approve Sheriff Senseney's request. Motion failed by a 2-3 vote.

**In re: APPOINTMENTS TO THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT**

Nomination by Ruland to appoint Carl Schultz to the Jefferson County Public Service District for an unexpired term ending December 1, 1997. Nomination by Hockensmith to appoint Theodore Viands to the Jefferson County Public Service District for an unexpired term ending December 1, 1997. Motion by Ruland, second by Hockensmith to close nominations. Motion carried. Carl Schultz was appointed to the Jefferson County Public Service District for an unexpired term ending December 1, 1997 by a 3-2 vote. ✓

**In re: APPOINTMENTS TO THE JEFFERSON COUNTY BOARD OF HEALTH**

Motion by Lance, second by Hockensmith to table the appointments to the Jefferson County Board of Health until next week. Motion carried.

**In re: APPROVAL OF EMPLOYMENT - GEORGE R. CLARK - MAINTENANCE DEPARTMENT**

Motion by Ruland, second by Ridgeway to approve the employment of George R. Clark for the Maintenance Department effective September 2, 1997. Motion carried.

**In re: MARK J. KRAMER - LETTER OF COMMITMENT - APPROVED**

Motion by Lance, second by Hockensmith to approve a Letter of Commitment as Surety for Mark J. Kramer Subdivision as presented and reviewed by the Prosecuting Attorney. Motion carried.

**In re: FEMA - FLOOD MAPS**

Motion by Ruland, second by Ridgeway to forward to FEMA the recommendation received from John Laughland, County Engineer and no comments from the Jefferson County Commission regarding the FEMA Flood Maps. Motion carried.

**In re: BANK ONE - SUBSTITUTE SECURITY**

Motion by Ruland, second by Lance to approve the substitution of security from Bank One with comment regarding Bank One did not have the authority to negotiate sale of the FNMA security at the time that they did. Motion carried.

**In re: PETITION FOR GUARDIANSHIP - GEORGE MILTON AND DEBORAH LEA HAMMOND**

A hearing was held for the petition for Guardianship filed by George Milton and Deborah Lea Hammond. Stephen R. Fielder, Attorney for George Milton and Deborah Lea Hammond was present for the hearing along with George Milton and Deborah Lea Hammond, Tammy Whitmore, and Steven Skinner Guardian Ad Litem for the two minor children. After discussion, motion by Ruland, second by Lance to grant the Petition for Guardianship and enter the following order: Motion carried.

**IN THE COUNTY COMMISSION OF JEFFERSON COUNTY, WEST VIRGINIA**

**GEORGE MILTON HAMMOND &  
DEBORAH LEA HAMMOND,**

Petitioners,

Vs.

**TAMMY KAY WHITMORE &  
JAMES W. BOLTON,**

Respondents.

**Order Granting Petition for Guardianship**

This matter came on for consideration this 27<sup>th</sup> day of August, 1997; upon Petition for Guardianship filed by the Petitioners, George Milton Hammond and Deborah Lea Hammond. Whereupon, it appearing to the County Commission of Jefferson County, West Virginia, sitting as a County Court, that this matter is within its jurisdiction, that the parties are entitled to an Order Granting Petition for Guardianship, that it is in the best interests of the two minor children concerned that their guardianship be granted to the Petitioners pursuant to West Virginia Code §44-10-3, and that the minor children have no assets, it is therefore

**ORDERED** that the Petitioners, George Milton Hammond and Deborah Lea Hammond, shall be, and they are hereby, granted the guardianship of their two grandchildren, namely Kayla Marie Hoffmaster and Kyle Austin Hoffmaster, born 11 December 1995, to Tammy Kay Whitmore and James W. Bolton.

/s/  
President

**In re: VEHICLE APPROVED - ANIMAL CONTROL**

After discussion, motion by Ruland, second by Hockensmith to approve the purchase of a vehicle and box for vehicle in the amount of \$31,781.40 for Animal Control and to include the transfer in the next budget revision. Motion carried.

**In re: WEBSTER COUNTY**

Commissioner Ruland recommended to the Commission that they reconsider the \$1,000 contribution to Webster County for the expenses they had incurred for the Deputy Sheriff's Incremental Pay Lawsuit. After discussion, motion by Ruland, second by Hockensmith to send \$1,000 contribution to Webster County for the Lawsuit for Deputy Sheriff's Incremental Pay. Motion failed by a 2-3 vote. Commissioners Lance, Knode and Ridgeway voted no.

Sheriff Senseney appeared before the Commission to discuss cruisers that were broken down and requested the Commission to consider the purchase of an additional cruiser in the FY98 budget. He also updated the Commission on the status of his fleet and the sale that would be coming up for decommissioned vehicles.

Fred Blackmer inquired on the maps from the Department of Transportation. The County Administrator informed Mr. Blackmer that unofficial maps regarding Charles Town to Martinsburg had been received from the Department of Transportation and that one would be placed in the County Clerk's office.

Fred Blackmer inquired on the status of Magistrate Court Sentencing for Community Service. Commissioner Ruland asked the County Administrator to check on this matter.

Commissioner Ruland informed the Commission that he would be attending the West Virginia Information Technology Users Conference and Expo next week.

The County Administrator informed the Commission that the Assessor's Office Jeep has arrived and that a check was going to be cut in order for the Jeep to be picked up.

**The Commission received the following information:**

Bond Acceptance for Rockwell's Moving & Storage - Letter of Credit with Jefferson Security Bank in the amount of \$100,142.00.

Correspondence received from the Jefferson County Solid Waste Authority regarding a "round table" for the purpose of discussing proposed programs.

Correspondence received from Herb Russell regarding appointment to serve as a representative to the Governor's Statewide Summit on West Virginia's Future.

Notice of Full Redemption - Single Family Mortgage Revenue Bonds.

Invitation received from QUADCO to attend the Regional Work Skills Inventory Study conducted by Corplan, Inc. on Wednesday, September 17, 1997 at Kepler Theatre at the Hagerstown Junior College.

Correspondence received from Potomac Headwaters RC&D Project Office.

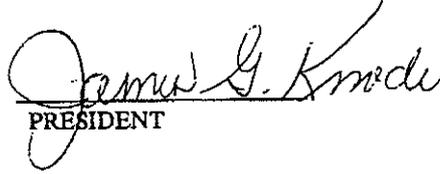
August 1997 issue of the West Virginia Ethics Reporter received.

Notice received from the Planning Director of Subdivision Work Sessions on Friday, August 29, 1997 at 10:00 a.m.

Correspondence received from Sheetz regarding Fleet Fueling.

Correspondence received from ProMar, L.L.C. regarding their new company located in the Bardane Industrial Park.

Upon rising, the Commission recessed until Thursday evening next beginning at 7:00 o'clock p.m.

  
PRESIDENT

**REGULAR TERM:**

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

At a Regular Term of the County Commission of said County and State continued and held at the Courthouse thereof on Thursday, September 4, 1997, beginning at 7:00 o'clock p.m.

**PRESENT:** James G. Knode, President;  
R. Gregory Lance; Edgar R. Ridgeway;  
Dean Hockensmith; James K. Ruland; Commissioners

**In re: DISPENSE WITH READING OF MINUTES**

Motion by Ruland, second by Lance to dispense with the reading of the Minutes for the meeting held on Thursday, August 28, 1997, and to approve the Minutes as prepared. Motion carried.

**In re: APPROVAL OF PURCHASE ORDERS**

Motion by Lance, second by Ridgeway to approve the following Purchase Orders for the Week of September 2, 1997, totaling \$6,297.55: 31874, 31796, 31875, 31876, 31696, 31923, and 31901. Motion carried.

**In re: JEFFERSON COUNTY PUBLIC SERVICES CENTER**

Motion by Hockensmith, second by Ruland to authorize the President to sign the application to be submitted to the Planning Commission for the construction of signs at the Jefferson County Public Services Center. Motion carried.

**In re: BID OPENING - COURTHOUSE EXTERIOR**

A bid was opened for the exterior restoration and painting of the Courthouse from John Robinson, Inc. for \$54,140. Motion by Lance, second by Ruland to accept the bid in the amount of \$54,140 from John Robinson, Inc. and for staff to review the bid to make sure it meets the specifications. Motion carried.

**In re: HOY SHINGLETON - TELETECH BONDING**

Hoy Shingleton appeared before the Commission to request that a Contract of Surety for Construction be approved as Surety for Teletech. After discussion, motion by Lance, second by Ruland to approve a Contract of Surety for Construction as Surety for Teletech and for the Prosecuting Attorney to review the Surety. Motion passed by a 4-1 vote. Commissioner Knode voted no.

**In re: APPOINTMENTS TO THE JEFFERSON COUNTY BOARD OF HEALTH**

Nomination by Ruland to appoint D. Lee Morgan to the Jefferson County Board of Health for a 5-year term ending June 30, 2002.

Nomination by Lance to appoint Edward Snyder to the Jefferson County Board of Health for a 5-year term ending June 30, 2002.

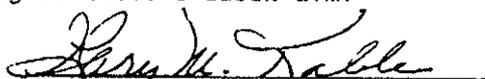
Motion by Lance, second by Ruland to close nominations. Motion carried.

D. Lee Morgan was appointed to the Jefferson County Board of Health for a 5-year term ending June 30, 2002 by a 3-2 vote.

Nomination by Lance to appoint Raymond Frazier to the Jefferson County Board of Health for an unexpired term ending June 30, 2001.

Notice received from the Eastern Panhandle Regional Planning and Development Council of a vacancy on the board due to the death of Mr. George Vickers.

Upon rising, the Commission adjourned to meet again on Thursday morning next beginning at 10:00 o'clock a.m.

  
PRESIDENT

**REGULAR TERM:**

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

At a Regular Term of the County Commission of said County and State continued and held at the Courthouse thereof on Thursday, December 7, 1995 beginning at 10:00 o'clock a.m.

**PRESENT:** Gary M. Kable, President;  
James G. Knode, Edgar R. Ridgeway;  
Herbert S. Snyder, Commissioners

Commissioner Lance was absent due to a prior commitment.

**In re: DISPENSE WITH READING OF MINUTES**

Motion by Snyder, second by Ridgeway to dispense with the reading of the Minutes for the meeting held on Thursday, November 30, 1995 and to approve the Minutes as prepared, including the following purchase orders: 29850, 29791, 29943, 29607, 29793, 29792, 29787, 29861, 29844, 29847, 29833, 29790 and 29789. Motion carried.

**In re: APPOINTMENT TO THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT**

Nomination by Knode to reappoint Stanley Zombro to the Jefferson County Public Service District for a 6-year term ending December 1, 2001. Motion by Snyder, second by Knode to close nominations. Motion carried. ✓

By acclamation, Stanley Zombro was reappointed to the Jefferson County Public Service District for a 6-year term ending December 1, 2001.

**In re: SHUEN-YUNG CHAN - IMPROVEMENT LOCATION PERMIT**

Shuen-yung Chan appeared before the Commission to discuss his Improvement Location Permit that was revoked by the Jefferson County Planning Commission on August 30, 1995 and requested the Commission reinstate said permit. After discussion, the Commission agreed that the 30 period to appeal had expired and the County Commission has no jurisdiction to take action on the matter and that Mr. Chan should take the matter to the Jefferson County Health Department.

**In re: SPECIAL FIDUCIARY ACCOUNTS - APPROVED**

The remaining time of the Commission was taken up this day with the examination of sundry fiduciary accounts.

Upon completion, motion by Snyder, second by Knode to approve the accounts for the estates of Maude G. Graham and Gladis E. Davidson. Motion carried.

The County Administrator and the Commission discussed the letter received from the Jefferson County Health Department regarding the Jefferson County Senior Center and agreed to look into the matter further.

The County Administrator informed the Commission that Helbing Lipp will be ready to meet with the Commission next week with a presentation.

Commissioner Knode discussed the recent Ambulance Authority meeting and the progress that they are making.

The Commission received the following information:

Correspondence received from the Jefferson County Health Department regarding the Senior Center.

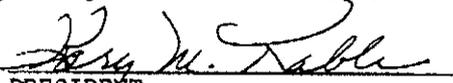
Jefferson County Board of Health Minutes received for the meetings of October 6, 1995 and November 3, 1995 including expenditure and nurses reports.

Switchboard report for the month of November, 1995 showing an average of 56 calls per day.

Daily mail count received for the month of November, 1995 showing 3649 pieces of mail.

Animal Control report received for the month of November, 1995 showing 34 dogs impounded.

Upon rising, the Commission adjourned to meet again on Thursday morning next beginning at 10:00 o'clock a.m.

  
PRESIDENT

**REGULAR TERM:**

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

At a Regular Term of the County Commission of said County and State continued and held at the Courthouse thereof on Thursday, December 14, 1995 beginning at 10:00 o'clock a.m.

**PRESENT:** Gary M. Kable, President;  
James G. Knode, Edgar R. Ridgeway;  
Herbert S. Snyder, R. Gregory Lance; Commissioners

**In re: DISPENSE WITH READING OF MINUTES**

Motion by Snyder, second by Lance to dispense with the reading of the Minutes for the meeting held on Thursday, December 7, 1995 and to approve the Minutes as prepared, including the following purchase orders: 29958, 29781, 29862, 29864, 29946, 29959, 29326, 29912, 29783, 29909, 29880, 29878, 29945. Motion carried.

**In re: ACCEPTANCE OF BOND - EASTLAND - SECTION 4**

Upon recommendation from the Planning Director, motion by Lance, second by Snyder to accept Bond for Eastland - Section 4, lots 56-69 and residue in the amount of \$129,030 which is secured by an Irrevocable Letter of Credit issued by the Bank of Charles Town. Motion carried.

State of West Virginia, County of Jefferson, Sct.

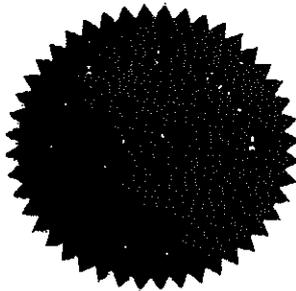
Clerk's Office of the County Commission of Jefferson County, at Charles Town, in said State, exercising Probate Jurisdiction.

I, JOHN E. OTT, Clerk of said Commission having by law the custody of the seal, and all papers, books, documents and papers of or pertaining to said Commission, hereby certify the paper hereto annexed to be a true copy appertaining to said Commission and on file and of record in said office, to-wit:

Appointment of Stanley Zombro to the Jefferson County Public

Service District for a 6 year term ending Decmeber 1, 2001.

Minutes dated December 7, 1995 in Law Order Book BB at page 131.



In attestation whereof I have hereunto set my hand and affixed the seal of said Commission

this 12th day of

December, A. D., 1997

John E. Ott  
Clerk of said Commission

By: Deborah L. Pettinger, Deputy

BEFORE THE COUNTY COMMISSION OF JEFFERSON COUNTY

RESOLUTION AND ORDER *NUNC PRO TUNC* APPOINTING  
CAROLE A. HALL TO THE PUBLIC SERVICE BOARD OF  
JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, Carole A. Hall was appointed to the Public Service Board of Jefferson County Public Service District on January 1, 1988, for a term to expire on December 1, 1993;

WHEREAS, on December 2, 1993, The County Commission of Jefferson County, West Virginia, entered an order appointing Carole A. Hall to the Public Service Board of Jefferson County Public Service District for a term to expire on December 2, 1999, however, a copy of the minutes of the December 2, 1993, meeting cannot be located;

WHEREAS, The County Commission of Jefferson County has not appointed any other individual to serve as Carole A. Hall's replacement on the Public Service Board of Jefferson County Public Service District;

WHEREAS, it is now deemed desirous by said County Commission to adopt a resolution and order *nunc pro tunc* appointing Carole A. Hall to the Public Service Board of Jefferson County Public Service District effective December 2, 1993, for a term to expire on December 2, 1999.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED, by The County Commission of Jefferson County, West Virginia, as follows:

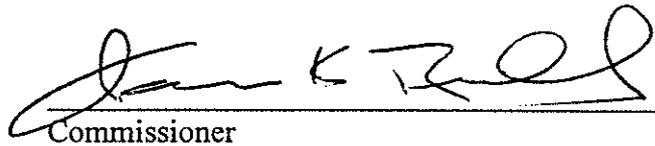
1. That The County Commission of Jefferson County, West Virginia, does hereby appoint Carole A. Hall to the Public Service Board of Jefferson County Public Service District effective as of December 2, 1993, for a term to expire on December 2, 1999.

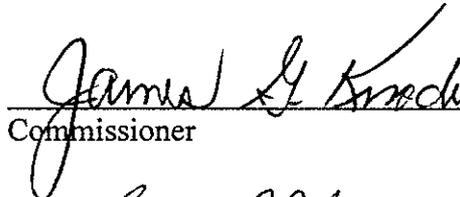
Entered *NUNC PRO TUNC* in the permanent record of Jefferson County, West Virginia, this 2nd day of December, 1993.

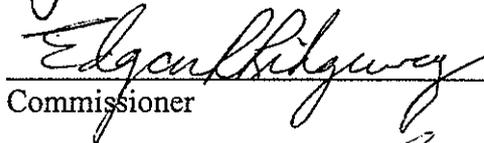
Executed on the 22nd day of January, 1998.

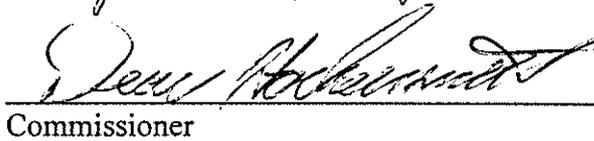
COUNTY COMMISSION OF  
JEFFERSON COUNTY, WEST VIRGINIA

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Clerk

01/10/98  
450260/97001

233313.1





State of West Virginia, County of Jefferson, Sct.

Clerk's Office of the County Commission of Jefferson County, at Charles Town, in said State, exercising Probate Jurisdiction.

I, JOHN E. OTT, Clerk of said Commission having by law the custody of the seal, and all papers, books, documents and papers of or pertaining to said Commission, hereby certify the paper hereto annexed to be a true copy appertaining to said Commission and on file and of record in said office, to-wit:

This Oath of Office for Carl D. Schultz, III, who was appointed as a member of the Jefferson County Public Service District, was taken and subscribed to before the Clerk of the County Commission on September 4, 1997. His term ends on

December 1, 1997.



In attestation whereof I have hereunto set my hand and affixed the seal of said Commission

this 26th day of

November, A. D., 19 97

John E. Ott  
Clerk of said Commission

# State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, Carole A. Hall, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Carole A. Hall, do solemnly swear that I will faithfully discharge and perform the duties of the office of member of the Jefferson County Public Service District to the best of my skill and judgement, and according to law, So help me God.

  
\_\_\_\_\_

the above oath was taken and subscribed to before the Clerk of County Commission this 6th day of December, 1993.

  
\_\_\_\_\_  
CLERK OF COUNTY COMMISSION

State of West Virginia, County of Jefferson, Sct.

Clerk's Office of the County Commission of Jefferson County, at Charles Town, in said State, exercising Probate Jurisdiction.

I, JOHN E. OTT, Clerk of said Commission having by law the custody of the seal, and all papers, books, documents and papers of or pertaining to said Commission, hereby certify the paper hereto annexed to be a true copy appertaining to said Commission and on file and of record in said office, to-wit:

This Oath of Office for Carole A. Hall, who was appointed as a member of the Jefferson County Public Service District, was taken and subscribed to before the Clerk of the County Commission on December 6, 1993. Her term ends on December 1, 1999.



In attestation whereof I have hereunto set my hand and affixed the seal of said Commission

this 26th day of

November, A. D., 19 97

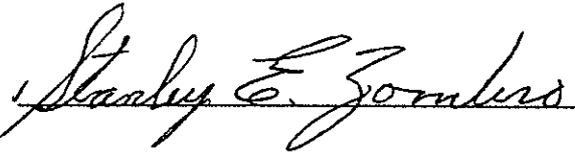
*John E. Ott*  
Clerk of said Commission

# State of West Virginia,

COUNTY OF JEFFERSON, SCT.

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

I, Stanley E. Zombro, do solemnly swear that I will faithfully discharge and perform the duties of the office of a member of the Jefferson County Public Service District \_\_\_\_\_ to the best of my skill and judgement, and according to law, So help me God.

  
\_\_\_\_\_

the above oath was taken and subscribed to before the Clerk of the County Commission this \_\_\_\_\_  
\_\_\_\_\_ 12th day of December, 1995.

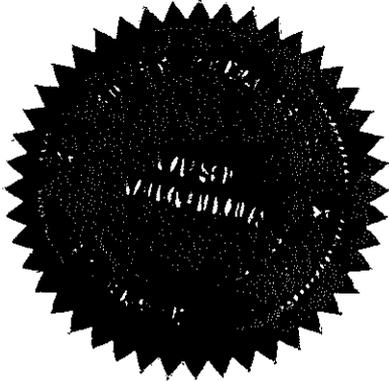
  
\_\_\_\_\_ Clerk of the County Commission

State of West Virginia, County of Jefferson, Sct.

Clerk's Office of the County Commission of Jefferson County, at Charles Town, in said State, exercising Probate Jurisdiction.

I, JOHN E. OTT, Clerk of said Commission having by law the custody of the seal, and all papers, books, documents and papers of or pertaining to said Commission, hereby certify the paper hereto annexed to be a true copy appertaining to said Commission and on file and of record in said office, to-wit:

This Oath of Office for Stanley E. Zombro, who was appointed as a member of the Jefferson County Public Service District, was taken and subscribed to before the Clerk of the County Commission on December 12, 1995. His term ends on December 1, 2001.



In attestation whereof I have hereunto set my hand and affixed the seal of said Commission

this 26th day of

November, A. D., 19 97

*John E. Ott*  
Clerk of said Commission



RULES OF PROCEDURE

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Section 2. The principal office of this Public Service District will be located at Third Avenue, Ranson, West Virginia.

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

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

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

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

#### ARTICLE IV

##### MEETINGS OF THE PUBLIC SERVICE BOARD

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

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

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

##### PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended, notice of the time and place of all regularly scheduled sessions of such Public Service Board, and the time, place and purpose of all special

sessions of such Public Service Board, shall be made available, in advance, to the public and news media as follows:

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

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

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

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

NOTICE OF SPECIAL SESSION

The Public Service Board of Jefferson County Public Service District will meet in special session on \_\_\_\_\_, at \_\_\_\_\_ .m., prevailing time, at \_\_\_\_\_, West Virginia, for the following purposes:

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

funds for construction of \_\_\_\_\_  
\_\_\_\_\_ facilities of the District.

2.

\_\_\_\_\_  
Secretary

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

#### ARTICLE V

##### OFFICERS

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

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in the month of January of such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

#### ARTICLE VI

##### DUTIES OF OFFICERS

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

4.

executed by or on behalf of the Board when and if directed by the members of the Board.

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

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

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

## ARTICLE VII

### AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

09/25/87  
HOLD4-T



# Jefferson County Public Service District

Regular Meeting  
January 8, 1997  
Agenda

**ATTENDANCE:** Stanley Zombro, Chairman; Carole Hall, Secretary; Tom West, Treasurer; Bud Stine, General Manager; Jim Knode, County Commissioner; Ben Faulkner, Engineer

## Unfinished Business:

### Charles Town/Ranson

- KOA

The General Manager reported that he and the Chairman will be attending a meeting on January 13, 1997 at the Harpers Ferry/Bolivar PSD to discuss purchasing capacity in their sewer plant. The Board also requested that Ben Faulkner of Pentree look at the surrounding area and give his opinion on providing sewer service to it.

### Keyes Ferry Acres

- Infrastructure Application

Application has been received by the Infrastructure Council which meets today.

### Glen Haven/Cavaland

- Rate Increase

The General Manager reported that David Deihl of Cox, Allemon, Hollida is looking into exactly what the PSC will require in order to increase the water rates at Glen Haven and Cavaland.

### Burr Industrial Park

- Transfer of Ownership

The General Manager reported that the Development Authority had discussed the transfer of ownership. However there is a substantial amount of information they need to gather before any decisions can be made. The General Manager was instructed to keep in contact with the Development Authority on any changes and financial obligations which may incur if there is a transfer of ownership.

- Audits

The General Manager reported that the District has corrected almost 100% of the items listed in the auditors management letter. The items that were not corrected could not be done do to the size of the Districts staff.

- **Sanitary Associates**

The Board discussed with Ben Faulkner of Pentree, Inc., the possibility of installing a lift station on the Boyd property in order to provide service to the farm and Sanitary Associates. The Board requested a design on the project as soon as possible.

**New Business:****Charles Town/Ranson**

- **Election of Officers**

The Chairman of the Board called for an election of officers. Tom West made a motion to keep the current slate of officers for the year 1997. Carole Hall seconded the motion, motion carried. ✓

- **Cranes Meadow Apartments**

The General Manager presented the Board with the water and sewer developers agreements. Discussion followed. The Agreements will be mailed to the District's attorney and presented to the West Virginia Public Service Commission for approval.

- **Harpers Ferry Job Corp/Jefferson High**

The Board requested that the General Manager gets a schedule from Mark Jeffries on this project for the next meeting.

- **Disbursements**

The General Manager presented the Board with the current bills due for payment approval. Discussion followed. Tom West made a motion to transfer \$4000.00 from the Burr savings account to the Sewer account as a loan. Carole Hall seconded the motion, motion carried. Tom West made a motion instructing the General Manager which bills to pay. Carole Hall seconded the motion, motion carried.

**Keyes Ferry Acres**

- **Disbursements**

The General Manager presented the current bills due to the Board for payment approval. Discussion followed. Carole Hall made a motion to pay the accounting fees with the sewer funds and Keyes Ferry Acres will reimburse the District as funds are available. Tom West seconded the motion, motion carried. Tom West made a motion instructing the General Manager which bills to pay. Carole Hall seconded the motion, motion carried.

**Glen Haven**

- **Disbursements**

The General Manager presented the current bills due to the Board for payment approval. Tom West made a motion instructing the General Manager which bills to pay. Carole Hall seconded the motion, motion carried.

**Cavaland**

- **Disbursements**

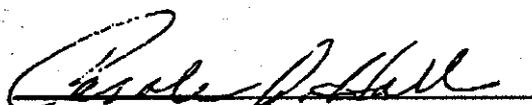
The General Manager presented the current bills due to the Board for payment approval. Tom West made a motion instructing the General Manager which bills to pay. Carole Hall seconded the motion, motion carried.

**Burr Industrial Park**

• **Disbursements**

The General Manager presented the current bills to the Board for payment approval. Tom West made a motion to pay the bills as presented. Carole Hall seconded the motion, motion carried.

Tom West made a motion to adjourn the meeting. Carole Hall seconded the motion, motion carried.

  
Carole Hall, Secretary

**Next Meeting:**

- January 22, 1997
- February 11, 1997 (Tuesday)

**Jefferson County**  
**Public Service District**  
**Regular Meeting**  
**September 10, 1997**  
**Agenda**

**Unfinished Business:****Public Service District: Sewer**

- **WV Housing Development Fund Project**

Will Smith, from Pentree, Inc., reported that the engineering plans have been sent to the Department of Environmental Protection and the WV Public Service Commission. He requested that attorney Robert Rodecker check the status of this project.

- **Charles Town Sanitary Board**

No scheduled date.

- **Sanitary Associates**

There was general discussion concerning this project. The General Manager was instructed to contact and discuss with Dr. Millers attorney the purchase of this system.

**Keyes Ferry Acres**

- **Blue Ridge Water Project**

Will Smith from Pentree, Inc. reported that the final plans are 3 to 4 days from being completed. The Charles Town Water Department's Engineer needed more information sent to him before making a decision on the water plants ability to produce water for this project.

Mr. Smith requested that the water user's agreements be modified to fit the Districts needs.

The PSC approved the interim Engineering Funding package. There will be a 15 day waiting period. At the end of that time a loan closing will take place in Charleston.

**Public Service District: Water**

- **Charles Town Water Board**

No meeting on September 9, 1997 new date not set

**Burr Industrial Park**

**New Business:**

The Jefferson County Commission appointed Carl Schultz to the Board of Directors to replace Thomas West who resigned as of August 30, 1997.

Carole Hall nominated Carl Schultz as Treasurer. Stanley Zombro seconded the motion, motion carried.

**Public Service District: Sewer**

- Disbursements

The General Manager presented the bills to the Board for payment approval. Carole Hall made a motion instructing the General Manager to pay the bills as presented. Carl Schultz seconded the motion, motion carried.

**Keyes Ferry Acres**

- Disbursements

The General Manager presented the bills to the Board for payment approval. Carole Hall made a motion instructing the General Manager to pay the bills as presented. Carl Schultz seconded the motion, motion carried.

**Public Service District: Water**

- Disbursements

The General Manager presented the bills to the Board for payment approval. Carole Hall made a motion instructing the General Manager to pay the bills as presented. Carl Schultz seconded the motion, motion carried.

**Burr Industrial Park**

- Disbursements

The General Manager presented the bills to the Board for payment approval. Carole Hall made a motion instructing the General Manager to pay the bills as presented. Carl Schultz seconded the motion, motion carried.



Carole Hall, Secretary

**Next Meeting:**

- September 23, 1997
- October 8, 1997



JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

MINUTES ON ADOPTION OF NOTES  
RESOLUTION AND SUPPLEMENTAL RESOLUTION

I, Carole A. Hall, SECRETARY of the Public Service Board of Jefferson County Public Service District, hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

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The Public Service Board of Jefferson County Public Service District met in special session, pursuant to notice duly given, on the 3rd day of December, 1997, at the District's Office in Ranson, West Virginia, at the hour of 9:00 a.m.

|          |                      |   |           |
|----------|----------------------|---|-----------|
| PRESENT: | Stanley E. Zombro    | - | Chairman  |
|          | Carole A. Hall       | - | Secretary |
|          | Carl D. Schultz, III | - | Treasurer |
|          | John C. Skinner      | - | Attorney  |

ABSENT: None

Stanley E. Zombro, Chairperson, presided, and Carole A. Hall acted as Secretary.

The Chairperson announced that a quorum of members was present and that the meeting was open for any business properly before it.

The Chairperson then presented a resolution to approve the hiring of Steptoe & Johnson as bond counsel for the Waterworks System Design Notes, Series 1997, and the Water Revenue Bonds anticipated to be issued in 1998. On motion duly made and seconded, it was unanimously resolved that Steptoe & Johnson be retained as bond counsel for the Water System Design Notes, Series 1997, and the Water Revenue Bonds anticipated to be issued in 1998, and that the Chairman be authorized to execute the engagement letter between Steptoe & Johnson and the District.

Thereupon, the Chairperson presented a proposed Notes Resolution in writing entitled:

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE TEMPORARY FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$145,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN NOTES, SERIES 1997 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH NOTES; APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Notes Resolution be adopted and be in full force and effect on and from the date hereof.

The Chairman then presented a proposed Supplemental Resolution in writing entitled:

#### SUPPLEMENTAL RESOLUTION

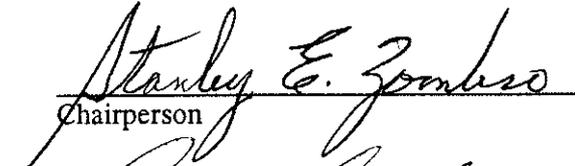
SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, REDEMPTION PROVISION AND OTHER TERMS OF THE WATERWORKS SYSTEM DESIGN NOTES, SERIES 1997 (WEST VIRGINIA INFRASTRUCTURE FUND), OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A

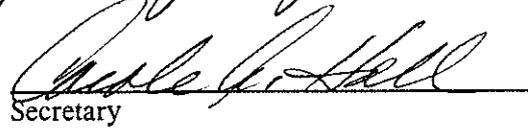
REGISTRAR, PAYING AGENT AND DEPOSITORY  
BANK; AND MAKING OTHER PROVISIONS AS TO  
THE NOTES.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

The Chairman then presented a resolution to authorize the payment of certain invoices related to the design of the waterworks system project and the issuance of the Waterworks System Design Notes, Series 1997, from funds provided upon issuance of the Series 1997 Notes. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said resolution be adopted and be in full force and effect on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

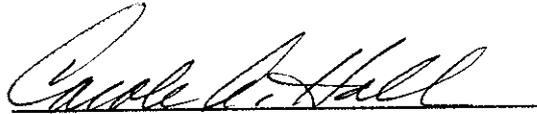
  
Chairperson

  
Secretary

CERTIFICATION

I hereby certify that the foregoing action of Jefferson County Public Service District remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 15th day of December, 1997.

  
Secretary

11/20/97  
450260/97001



JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

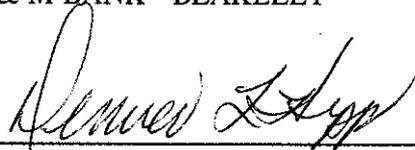
Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

F & M Bank - Blakeley, a state banking corporation with its principal office in Ranson, West Virginia, hereby accepts appointment as Depository Bank in connection with a Notes Resolution of Jefferson County Public Service District (the "Issuer") adopted on December 3, 1997, and a Supplemental Resolution of the Issuer adopted on December 3, 1997 (collectively, the "Note Legislation"), authorizing issuance of the Issuer's Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), dated December 15, 1997, in the principal amount of \$145,000 (the "Notes"), all as set forth in the Notes Legislation.

WITNESS my signature on this 15th day of December, 1997.

F & M BANK - BLAKELEY



\_\_\_\_\_  
Its President

11/20/97  
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JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

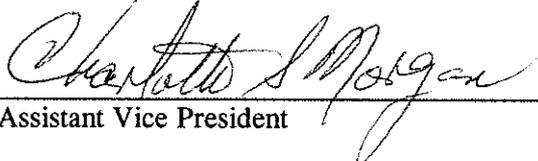
Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Jefferson County Public Service District Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), dated December 15, 1997, in the principal amount of \$145,000 (the "Notes"), and agrees to perform all duties of Registrar in connection with the Notes, all as set forth in the Note Legislation authorizing issuance of the Notes.

WITNESS my signature on this 15th day of December, 1997.

ONE VALLEY BANK, NATIONAL  
ASSOCIATION

  
Assistant Vice President

11/20/97  
450260/97001

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JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

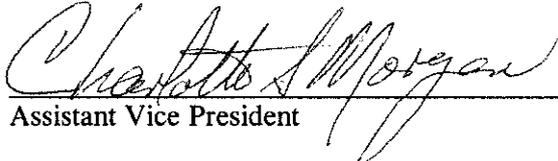
Waterworks System Design Notes, Series 1997  
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF NOTES

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in Charleston, West Virginia, as Registrar under the Note Legislation and Registrar's Agreement providing for the above-captioned note issue of Jefferson County Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered, Jefferson County Public Service District Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), of the Issuer, dated December 15, 1997, in the principal amount of \$145,000, numbered R-1, was registered as to principal in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 15th day of December, 1997.

ONE VALLEY BANK, NATIONAL  
ASSOCIATION

  
Assistant Vice President

11/20/97  
450260/97001

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## REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 15th day of December, 1997, by and between JEFFERSON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$145,000 principal amount of Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund), in fully registered form (the "Notes"), pursuant to a Note Resolution of the Issuer adopted on December 3, 1997, and a Supplemental Resolution of the Issuer adopted on December 3, 1997 (collectively, the "Note Legislation");

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

WHEREAS, the Note Legislation provides for an appointment by the Issuer of a Registrar for the Notes; and

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Notes, all as set forth in the Note Legislation, such duties including, among other things, the duties to authenticate, register and deliver Notes upon original issuance and when properly presented for exchange or transfer.

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 Note Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Note Legislation, the terms of the Note Legislation shall govern.

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

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

ISSUER: Jefferson County Public Service District  
210 West Third Avenue  
Ranson, West Virginia 25438  
Attention: Chairperson

REGISTRAR: One Valley Bank, National Association  
Post Office Box 1793  
One Valley Square  
Charleston, West Virginia 25326  
Attention: Corporate Trust Department

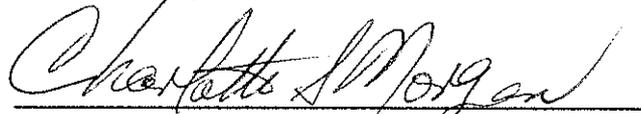
8. The Registrar is hereby requested and authorized to authenticate and deliver the Notes in accordance with the Note Legislation.

IN WITNESS WHEREOF, JEFFERSON COUNTY PUBLIC SERVICE DISTRICT and ONE VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

  
Chairperson

ONE VALLEY BANK, NATIONAL ASSOCIATION

  
Assistant Vice President

11/20/97  
450260/97001

226563.1

EXHIBIT A

Included in transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION



WV MUNICIPAL BOND COMMISSION

812 Quarrier Street  
Suite 300  
Charleston, WV 25301  
(304)558-3971

NEW ISSUE REPORT FORM

Date of Report: December 15, 1997

(See Reverse for Instructions)

ISSUE: Jefferson County Public Service District Waterworks System Design Notes, Series 1997 (West Virginia Infrastructure Fund)

ADDRESS: 210 West Third Avenue, Ranson, WV 25438 COUNTY: Jefferson

PURPOSE New Money  xx  
OF ISSUE: Refunding  Refunds issue(s) dated: NA

ISSUE DATE: December 15, 1997 CLOSING DATE: December 15, 1997

ISSUE AMOUNT: \$ 145,000.00 RATE: 0% (Administrative Fee of 3%)

1st DEBT SERVICE DUE: December 15, 2000 1st PRINCIPAL DUE: December 15, 2000

1st DEBT SERVICE AMOUNT: \$149,350.00 PAYING AGENT: Municipal Bond Commission

ISSUERS  
BOND COUNSEL: Steptoe & Johnson

UNDERWRITERS  
BOND COUNSEL: Jackson & Kelly

Contact Person: Vincent A. Collins, Esquire Contact Person: Samme L. Gee, Esquire  
Phone: (304) 624-8161 Phone: (304) 340-1318

CLOSING BANK: F & M Bank - Blakeley  
Contact Person: Denver Hipp  
Phone: 728-4200

ESCROW TRUSTEE:  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT  
Contact Person: Mr. William B. Stine, Jr.  
Position: General Manager  
Phone: (304) 725-4962

OTHER:  
Contact Person: \_\_\_\_\_  
Function: \_\_\_\_\_  
Phone: \_\_\_\_\_

DEPOSITS TO MBC AT CLOSE:  
By  Wire  Accrued Interest: \$ \_\_\_\_\_  
 Check  Capitalized Interest: \$ \_\_\_\_\_  
 Reserve Account: \$ \_\_\_\_\_  
 Other: \$ \_\_\_\_\_

REFUNDS & TRANSFERS BY MBC AT CLOSE:  
By  Wire  To Escrow Trustee: \$ \_\_\_\_\_  
 Check  To Issuer: \$ \_\_\_\_\_  
 IGT  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 basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

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

The Commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the 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.