TOWN OF MARMET, WEST VIRGINIA

SEWERAGE REVENUE BOND ISSUE

SERIES 1990 A $664,013.00
SERIES 1990 B $30,987.00

Closing Date: January 3, 1990

LAW OFFICES
HAMB, POFFENBARGER & BAILEY
SUITE 915
CHARLESTON NATIONAL PLAZA
CHARLESTON, WEST VIRGINIA 25301

WILLIAM E. HAMB
JOHN T. POFFENBARGER
JENNIFER F. BAILEY
ROBERT W. KIEFER, JR.

MAILING ADDRESS
P.O. BOX 1671
CHARLESTON, WEST VIRGINIA 25326-1671
TELEPHONE: (304) 343-4128
TELECOPIER: (304) 344-1974

January 24, 1990

R. Witter Hallan
Executive Director
West Virginia Municipal Bond Commission
Suite 337, Building 3
State Capitol Complex
Charleston, West Virginia 25305

Re: Town of Marmet
Sewerage Revenue Bonds
Series 1990 A $664,013.00
Series 1990 B $ 30,987.00
Closing Date: January 3, 1990

Dear Witter:

Please find enclosed a copy of the transcript for the above-captioned bond issue.

Should you have any questions, please do not hesitate to give me a call.

Thank you very much. Best regards.

Very truly yours,

John T. Poffenbarger

JTP:cjb
Enclosure

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MAILING ADDRESS
P.O. BOX 1671
CHARLESTON, WEST VIRGINIA 25326-1671
TELEPHONE: (304) 343-4128
TELECOPIER: (304) 344-1974

February 15, 1990

R. Witter Hallan
Executive Director
West Virginia Municipal Bond Commission
Suite 337, Building 3
State Capitol Complex
Charleston, West Virginia 25305

Re: Town of Marmet
Sewerage Revenue Bonds
Series 1990 A $664,013.00
Series 1990 B $ 30,987.00
Closing Date: January 3, 1990

Dear Witter:

Please find enclosed a copy of Form 8038-G which was executed by Mayor Sutphin on February 14, 1990 and sent to the Internal Revenue Service this date. This form should be inserted in the transcript sent you earlier as No. 28.

Best regards.

Very truly yours,

John T. Poffenbarger

John T. Poffenbarger

JTP:cjb
Enclosure

RECEIVED
FEB 16 1990
MBC

TOWN OF MARMET

SEWER REVENUE BONDS
SERIES 1990 A AND SERIES 1990 B

Date of Closing: January 3, 1990

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TOWN OF MARMET, WEST VIRGINIA

SEWER REVENUE BONDS, SERIES 1989 A AND SERIES 1989 B
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES ORDINANCE

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TOWN OF MARMET, WEST VIRGINIA

ORDINANCE

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF MARMET, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN SEVEN HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS ($720,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 A, NOT MORE THAN NINETY-FIVE THOUSAND AND NO/100 DOLLARS ($95,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 B, AND NOT MORE THAN ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($1,500,000.00) INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES, BOND ANTICIPATION NOTES, OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH, PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES, AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS, AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES, AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF MARMET

TOWN OF MARMET, WEST VIRGINIA

SEWER REVENUE BONDS, SERIES 1989 A AND SERIES 1989 B
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

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ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The Town of Marmet (the "Issuer") is a municipal corporation, organized and existing under the laws of the State of West Virginia.

B. The Issuer now owns facilities for the collection, treatment, purification and disposal of sewage. The custody, operation and maintenance of the sewer system, both within and without the corporate limits of the Town, is under the supervision and control of the Sanitary Board, which was created and given such supervision and control by ordinance. The construction and acquisition of certain extensions, improvements and betterments to the then-existing sewer system and the refunding of certain then-outstanding sewer revenue bonds were financed by the proceeds delivered from Two Hundred Thirty-Four Thousand and NO/100 Dollars ($234,000.00) in the aggregate principal amount of sewer revenue bonds dated July 1, 1961, issued pursuant to an ordinance passed by the Council of Marmet on the 1st day of July, 1961, (the "Prior Ordinance").

C. The Sanitary Board, pursuant to the provisions of Chapter 16, Article 13, Section 5, of the *Code of West Virginia* of 1931, as amended, has petitioned the Town Council, and has requested that an ordinance be passed to amend and enact the Marmet Town Code to reflect new sewer rates and charges, and to enact this Ordinance and authorize the project and financing provided for hereby. Attached hereto as Exhibit "A" is a copy of the said petition.

D. The estimated revenues to be derived in each year after completion of the project from the operation of the system will be sufficient to pay all the costs of the operation and maintenance of said system, the principal of and interest on the bonds (as hereinafter defined) and all sinking fund, reserve account and other payments provided for herein.

E. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total, aggregate principal amount of not more than Seven Hundred Twenty Thousand and NO/100 Dollars ($720,000.00) in two series, being the Series 1989 A Bonds in the

aggregate principal amount of not more than Six Hundred Twenty-Five Thousand and NO/100 Dollars ($625,000.00), and the Series 1989 B Bonds in the aggregate principal amount of not more than Ninety-Five Thousand and NO/100 Dollars ($95,000.00) (collectively, the "Bonds"), and (at the option of the Issuer) to issue contemporaneously therewith, or as soon as practicable thereafter, its sewerage system grant anticipation notes, bond anticipation notes, or a note or notes evidencing a line of credit, (collectively, the "Notes") in the aggregate principal amount of not more than One Million Five Hundred Thousand and NO/100 Dollars ($1,500,000.00) to temporarily finance costs of construction and acquisition of the project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes during the term thereof and upon the Bonds prior to and during construction or acquisition and for six (6) months after completion of construction of the project; engineering, and legal expenses; expenses for estimates of cost and revenues; expenses for plans, specifications and surveys; any administrative fees and expenses of the Authority; other expenses necessary or incidental to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, discount, initial fees for the services of registrars, paying agents, depositories, trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the project and the placing of same in operation, and the performance of the things herein required or permitted in connection with any thereof, including, with respect to the Notes, any fees to the credit bank (as hereinafter defined), and any costs of obtaining insurance thereon, provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed costs of the "Project" (as hereinafter defined).

F. The period of usefulness of the system after completion of the Project is not less than forty (40) years.

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

H. There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bonds, as to lien and source of and security for payment. The Series 1989 B Bonds shall be junior and subordinate to the Series 1989 A Bonds as set forth herein. The Notes, if issued, will not be payable from the net revenues, but shall be payable from grant

receipts, surplus revenues, proceeds of a letter of credit and certain other specified sources, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes.

I. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will have expired (without any successful rehearing or appeal) prior to the issuance of any Bonds or Notes hereunder.

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

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

"Act" shall mean Chapter 16, Article 13 of the *Code of West Virginia*, 1931, as amended, and in effect on the date of enactment hereof.

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

"Authorized Officer" shall mean the mayor of the Issuer, or any temporary mayor or other officer authorized as such, duly appointed by the governing body.

"Bond Anticipation Notes" or "BAN" shall mean collectively, that not more than One Million Five Hundred Thousand and NO/100 Dollars ($1,500,000.00) in aggregate principal amount of Sewerage System Grant Anticipation Notes, originally authorized hereby, or that not more than One Million Five Hundred Thousand and NO/100 Dollars ($1,500,000.00) aggregate principal of a Note or Notes

evidencing a line of credit originally authorized hereby, and unless the context clearly indicates otherwise, the term **"BAN"** includes any refunding note or BAN of the Issuer.

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

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

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

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

"Bonds" shall mean the Original Bonds and any Bonds on a parity therewith authorized to be issued hereunder.

"Commission" shall mean the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Commission.

"Consulting Engineers" shall mean Ghosh Engineering, Inc., Consulting Engineers, Charleston, West Virginia, or any engineer or firm of engineers which shall, at any time hereafter, be retained by the Issuer as Consulting Engineers for the System.

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

"Council" shall mean the Council of the Town or any other governing body of the Town that succeeds to the functions of the Council as presently constituted, and shall be deemed to refer also to the Sanitary Board of the Town to the full extent of the powers relating to the System (as hereinafter defined), conferred upon said Sanitary Board.

"Credit Bank" shall mean the issuance of any letter of credit obtained by the Issuer for the benefit of the trustee as security for the Notes, all as shall be set forth in the Supplemental Resolution.

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

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

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

"EPA Grant" shall mean the grant from the EPA pursuant to the commitment therefor.

"FDIC" shall mean the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

"Fiscal Year" shall mean each twelve-month period beginning on July 1 and ending on the succeeding June 30.

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

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

"Grant Receipts" shall mean all monies received by the Issuer on account of any Grant after the date of issuance of the Notes, provided that, **"EPA Grant Receipts"** shall mean only Grant Receipts on account of the EPA Grant, and **"Other Grant Receipts"** shall mean only Grant Receipts on account of any or all of the Other Grants.

"Grants" shall mean, collectively, the EPA Grant and the other grants (as hereinafter defined).

"Gross Revenues" shall mean the aggregate gross operating and non-operating revenues of the system (as hereinafter defined), determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, provided that Gross Revenues does not include any gains from the sale or other disposition of or from any increase in the value of capital assets (including qualified investments [as hereinafter defined] purchased pursuant to Section 8.01 hereof) or any tap fees (as hereinafter defined).

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

"Indenture" or **"Trust Indenture"** shall mean the Trust Indenture which may be entered into between the Issuer and the Trustee relating to the Notes in, substantially, the form attached hereto as Exhibit "B" and all supplements or amendments thereto.

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

"Issuer" or **"Town"** shall mean the Town of Marmet, County of Kanawha, State of West Virginia, and unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement to be entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which are attached as Exhibits "C" and "D", and the execution and delivery by the Issuer authorized by this Ordinance.

"Net Revenues" shall mean the balance of the Gross Revenues remaining after deduction of operating expenses (as hereinafter defined).

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

"Notes" or **"GAN"** shall mean, collectively, the not more than One Million Five Hundred Thousand and NO/100 Dollars ($1,500,000.00) in aggregate principal amount of Sewerage System Grant Anticipation Notes, originally authorized hereby, or the not more than One Million Five Hundred Thousand and NO/100 Dollars ($1,500,000.00) in aggregate principal amount of a note or notes evidencing a line of credit originally authorized hereby, and unless the context clearly indicates otherwise, the terms **"Notes"** or **"GAN"** includes any refunding Notes or GAN of the Issuer.

"Notes Construction Trust Fund" shall mean the Notes Construction Trust Fund which may be established by Section 4.02 of the Indenture.

"Notes Debt Service Fund" shall mean the Notes Debt Service Fund which may be established by Section 4.01 of the Indenture.

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

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

"Original Bonds" or **"Bonds originally authorized hereby"** or similar phrases shall mean, collectively, the not more than Six Hundred Twenty-Five Thousand and NO/100 Dollars ($625,000.00) in aggregate principal amount of Series 1989 A Bonds, and the not more than Ninety-Five Thousand and NO/100 Dollars ($95,000.00) in aggregate principal amount of Series 1989 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Original Notes Purchaser" shall mean in the event Grant Anticipation Notes are issued, the original purchaser of the Notes as shall be named in a resolution supplemental hereto, and in the event a Note or Notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" shall mean, collectively, any other grant hereafter received by the Issuer to aid in financing any Costs.

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

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

"Paying Agent" shall mean the bank or banks or other entity designated as such for the Bonds and/or the Notes in the Indenture or in the Supplemental Resolution, or such entity or Authority as may be designated by the Issuer.

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

"Project" shall mean the acquisition and construction of a new sewerage treatment plant, gravity and pressure collector sewers, life stations, force mains and all necessary appurtenances.

"Qualified Investments" shall mean and include any of the following:

(a) Government Obligations;

(b)(i) 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; (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian; and (iii) Obligations, the sole source of the payment of the principal of and interest on, which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes;

(c) Pre-refunded municipal obligations meeting the following conditions:

(1) The Bonds are (i) not to be redeemed prior to maturity, or the Trustee has been given irrevocable instructions concerning their calling and redemption; and (ii) the Issuer has covenanted not to redeem such Bonds other than as set forth in such instructions;

(2) The Bonds are secured by cash or Government Obligations which may be applied only to interest, principal and premium payments of such Bonds;

(3) The principal of and interest on the Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the Bonds;

(4) The Government Obligations serving as security for the Bonds are held by an Escrow Agent or Trustee; and

(5) The Government Obligations are not available to satisfy any other claims, including those against the Trustee or Escrow Agent;

(d) 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, the Government National Mortgage Association, the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(e) Any Bond, Debenture, Note, Participation Certificate or other similar Obligation 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;

(f) 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 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;

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

(h) Repurchase agreements fully secured by investments of the types described in paragraphs (a) through (f) 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, <u>provided</u>, that said investments securing said repurchase agreements either must mature as nearly as practicable 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 <u>provided further</u> that the owner 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;

(i) With respect to the Notes, the Investment Agreement, which may be entered into by and between the Trustee and the Bank, designated as "Investment Bank" in the Supplemental Resolution;

(j) 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

(k) 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.

"Recorder" shall mean the recording officer of the governing body of the Issuer.

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

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

"Renewal and Replacement Fund" shall mean the Renewal and Replacement Fund created by Section 5.01.

"Revenue Fund" shall mean the Revenue Fund established by Section 5.01 hereof.

"Sanitary Board" or **"Board"** shall mean the Sanitary Board of the Town established by an ordinance duly enacted by the Council of the Town and any successors to the functions thereof.

"Series 1989 A Bonds" or **"Series A Bonds"** shall mean the not more than Six Hundred Twenty-Five Thousand and NO/100 Dollars ($625,000.00) in aggregate principal amount of Sewer Revenue Bonds, Series 1989 A of the Issuer.

"Series 1989 A Bonds Reserve Account" shall mean the Series 1989 A Bonds Reserve Account established in the Series 1989 A Bonds Sinking Fund, pursuant to Section 5.02 hereof.

"Series 1989 A Bonds Reserve Requirement" shall mean, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1989 A Bonds in any year.

"Series 1989 A Bonds Sinking Fund" shall mean the Series 1989 A Sinking Fund established by Section 5.02 hereof.

"Series 1989 B Bonds" or **"Series B Bonds"** shall mean the not more than Ninety-Five Thousand and NO/100 Dollars ($95,000.00) in aggregate principal amount of Sewer Revenue Bonds, Series 1989 B of the Issuer.

"Series 1989 B Bonds Reserve Account" shall mean the Series 1989 B Bonds Reserve Account established in the Series 1989 B Bonds Sinking Fund, pursuant to Section 5.02 hereof.

"Series 1989 B Bonds Reserve Requirement" shall mean, as of the date of calculation, the maximum amount of principal which will become due on the Series 1989 B Bonds in any year.

"Series 1989 B Bonds Sinking Fund" shall mean the Series 1989 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" shall mean the State of West Virginia.

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

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

"System" shall mean the works for the collection and/or treatment, purification and disposal of sewage in its entirety or any integral part thereof, owned by the Town and under the supervision and control of the Sanitary Board, and any additions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

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

"Trustee" shall mean the banking institution designated as Trustee for the Noteholders under the Indenture, if any, and its successors and assigns.

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

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project at an estimated cost of Two Million Six Hundred Seventy-Eight Thousand and NO/100 Dollars ($2,678,000.00) in accordance with the plans and specifications which have been prepared by the Consulting Engineers heretofore filed in the office of the Governing Body. The proceeds of the Notes and the Bonds hereby authorized shall be applied as provided in the Indenture, if any, and Article VI hereof, respectively.

ARTICLE III

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

Section 3.01. Authorization of Original Bonds. For the purposes of capitalizing interest on the Original Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for, and paying certain costs of issuance and related costs, or any of such purposes, there shall be issued negotiable Original Bonds of the Issuer in an aggregate principal amount of not more than Seven Hundred Twenty Thousand and NO/100 Dollars ($720,000.00). Said Bonds shall be issued in two series to be designated respectively, "Sewer Revenue Bonds, Series 1989 A," and "Sewer Revenue Bonds, Series 1989 B," in the aggregate principal amount of not more than Six Hundred Twenty-Five Thousand and NO/100 Dollars ($625,000.00) and Ninety-Five Thousand and NO/100 Dollars ($95,000.00), respectively, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Notes, if any. The proceeds of the Bonds remaining after funding of the Reserve Accounts and capitalization of interest, if any, shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall bear interest at such rate or rates not exceeding the then legal maximum, payable semiannually on such dates, shall mature on such dates and in such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent in any currency which, on the dates of payment of principal, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

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

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

Subsequent series of Bonds, if any, shall be issued in fully registered form in such denomination as determined by a Supplemental Resolution. The registered Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

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

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

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

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

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

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

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

Section 3.07. Bonds Not To Be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any Constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of any of

the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Series 1989 B Bonds To Be Junior and Subordinate to Series 1989 A Bonds. The payment of the debt service of all the Series 1989 A Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1989 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1989 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make the payments into the Sinking Funds, the Reserve Accounts therein, and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same becomes due.

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

[Form of Series 1989 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF MARMET SEWER REVENUE
BOND, SERIES 1989 A

No. AR-1 **$_____**

KNOW ALL MEN BY THESE PRESENTS: That the Town of Marmet, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received hereby, promises to pay, solely from the special funds provided therefor as hereinafter set forth, to West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of _____ and NO/100 Dollars ($_____), in annual installments on October 1 of each year, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated hereby by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1990. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of _____, a national banking association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

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

This Bond is issued (i) to pay costs of acquisition and construction of certain additions, improvements and betterments to the existing sewerage treatment system, collection and transportation facilities of the Issuer (the "Project"); (ii) to fund the reserve account for the Bonds; and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the *West Virginia Code* of 1931, as amended (the "Act"), and an ordinance duly enacted by the Issuer on _____ __, 19__, effective _____ __, 19__, as supplemented by a resolution duly adopted by the Issuer on the __th day of _____, 19__, (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional Bonds under certain conditions, and such Bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1989 B, of the Issuer (the "Series 1989 B Bonds"), issued in the aggregate principal amount of _____ and NO/100 Dollars ($_____), which Series 1989 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1989 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the monies in the Series 1989 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required to pay in any year the maximum amount due on principal of and interest on the Bonds, the Series 1989 B Bonds, and on all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds, or the Series 1989 B Bonds, provided however, that so long as there exists in the Series 1989 A Bonds Reserve Account, an amount at least equal

to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the reserve account established for the Series 1989 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1989 B Bonds in an amount at least equal to the respective requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, THE TOWN OF MARMET has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____ __, 1989.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1989 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on the date set forth below.

_____
As Registrar

By: _____
Its Authorized Officer

Dated: _____ __, 1989

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
_____
_____
_____,
the within Bond, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Town with full power of substitution in the premises.

Dated: _____

_____

In the presence of:

_____

[Form of Series 1989 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF MARMET SEWER REVENUE
BOND, SERIES 1989 B

NO. BR-1 **$_____**

KNOW ALL MEN BY THESE PRESENTS: That the Town of Marmet, a municipal corporation, organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of _____ and NO/100 Dollars ($_____), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated hereby by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity, in whole or in part, at any time, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by and otherwise in compliance with the Loan Agreement between the Issuer and the Authority, dated _____ __, 1989.

This Bond is issued (i) to pay costs of acquisition and construction of certain new additions, improvements and betterments to the existing sewage treatment system, collection and transportation facilities of the Issuer (the "Project"); (ii) to fund the reserve account for the Bonds of this series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the *West Virginia Code* of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on _____ __, 1989, effective _____ __, 1989, as supplemented by resolution duly adopted by the Issuer on the __th day of _____, 1989, (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for

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

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1989 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any Constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same except from said special fund provided from the Net Revenues, the monies in the Series 1989 B Bonds Reserve Account, and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required to pay in any year the maximum amount due of principal of and interest on the Bonds, the Series 1989 A Bonds, and on all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds, or the Series 1989 A Bonds, provided however, that so long as there exists in the Series 1989 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in any year, and in the reserve accounts established for the Series 1989 A Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1989 A Bonds, in an amount at least equal to the respective requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All monies received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation or to the appurtenant Sinking Fund, and there shall be and hereby is created and granted, a lien upon such monies, until so applied, in favor of the Owner of this Bond, provided that said lien upon monies in the Bond Construction Trust Fund is subordinate to the lien of the Series 1989 A Bonds.

This Bond is junior, subordinate and inferior as to lien on and source and security for payment from the net revenues and in all other respects to the Town's Sewer Revenue Bonds, Series 1989 A, issued simultaneously herewith, in the aggregate principal amount of Seven Hundred Twenty Thousand and NO/100 Dollars ($720,000.00) (the "Series 1989 A Bonds").

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

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

IN WITNESS WHEREOF, THE TOWN OF MARMET has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____ __, 1989.

[SEAL]

_____
Mayor

ATTEST:

_____

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1989 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on the date set forth below.

_____
As Registrar

By: _____
Its Authorized Officer

Dated: _____ __, 1989

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
_____
_____
_____,
the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Town with full power of substitution in the premises.

Dated: _____

_____

In the presence of:

_____

Section 3.10. Sale of Original Bonds; Execution of Loan Agreement With Authority. The Original Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in substantially the forms attached hereto as Exhibits "B" and "C" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and such execution and delivery are ratified and confirmed.

Section 3.11. "Amended Schedule A" Filing; Tender of Series 1989 B Bonds. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor. In the event such schedule reflects an excess of funding for the Project, or if the Authority is otherwise advised of an excess, the Authority may tender the Series 1989 B Bonds to the Issuer for payment in an amount equal to such excess. Notwithstanding the foregoing, if the Issuer has Notes outstanding upon completion of construction of the Project, it will advise the Authority of such fact and submit a second schedule to the Authority upon payment of such Notes, and the Authority will not tender its Series 1989 B Bonds for payment until the outstanding Notes have been paid.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer may issue and sell its Notes in the aggregate principal amount of not to exceed One Million Five Hundred Thousand NO/100 Dollars ($1,500,000.00). The Notes may be in the form of grant anticipation notes, Bond Anticipation Notes or as evidence of a line of credit from a commercial bank or other lender at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or Supplemental Resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes shall be issued in fully registered form, in the denomination of Five Thousand and NO/100 Dollars ($5,000.00) or any integral multiple thereof, with such terms and secured in the manner set forth in the Indenture, if applicable, or Supplemental Resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the Grant Receipts, the monies in the funds and accounts created under the Indenture, if any, the net proceeds of any draw under the letter of credit issued by the Credit Bank or any refunding notes, the Surplus Revenues, if any, and any other sources described in the Indenture or Supplemental Resolution. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any Constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit, nor the taxing power of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture.

Section 4.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed One Million Five Hundred Thousand and NO/100 Dollars ($1,500,000.00) in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue

its refunding notes to the Credit Bank. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

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

1. Revenue Fund;
2. Renewal and Replacement Fund;
3. Bond Construction Trust Fund; and
4. Rebate Account.

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

A. Series 1989 A Bonds Sinking Fund;

Within the Series 1989 A Bonds Sinking Fund, the Series 1989 A Bonds Reserve Account.

B. Series 1989 B Bonds Sinking Fund;

Within the Series 1989 B Bonds Sinking Fund, the Series 1989 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The Gross Revenues shall be deposited in the Sewer Revenue Fund established by Section 5 of the Prior Ordinance (the "Prior Revenue Fund"). Monies in the Prior Revenue Fund shall first be disposed of as provided by Section 5(1), 5(2), and 5(3) of the Prior Ordinance.

B. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the Town and the Depository Bank, and used only for the purposes and in the manner herein provided. From the Revenue Fund, the Town shall, the first each month, pay the current Operating Expenses of the System.

C. Thereafter, the Issuer shall next, on the first day of each month, commencing seven months prior to the first date of payment of interest on the Series 1989 A Bonds for which interest has not been capitalized, apportion and set apart, out of the Revenue Fund, and remit to the Commission for deposit in the Series 1989 A Bonds Sinking Fund, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Series 1989 A Bonds on the next ensuing semi-annual interest payment date, provided that, in the event that the period to elapse between the date of such initial deposit in the Series 1989 A

Bonds Sinking Fund and the next semi-annual interest payment date is less than seven (7) months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semi-annual interest payment date, the required amount of interest coming due on such date.

D. The Issuer shall also, on the first day of each month, commencing thirteen (13) months prior to the first date of payment of principal on the Series 1989 A Bonds, apportion and set apart out of the Revenue Fund, and remit to the Commission for deposit in the Series 1989 A Bonds Sinking Fund, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Series 1989 A Bonds on the next ensuing principal payment date, provided that, in the event that the period to elapse between the date of such initial deposit in the Series 1989 A Bonds Sinking Fund and the next annual principal payment date is less than thirteen (13) months, then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

E. The Town shall next, on the first day of each month commencing thirteen (13) months prior to the first date of payment of principal on the Series 1989 A Bonds, remit to the Commission for deposit in the Series 1989 A Reserve Account, an amount equal to one-one hundred twentieth (1/120) of the Series 1989 A Reserve Account Requirement, provided that, no further payments shall be made into the Series 1989 A Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1989 A Reserve Account Requirement. Once the Series 1989 A Reserve Account has been funded at the Series 1989 A Reserve Account Requirement, whether from Series 1989 A Bond proceeds or such monthly payments or otherwise, the Town shall next remit to the Commission for deposit in the Series 1989 A Reserve Account, an amount equal to any deficiency in the Series 1989 A Reserve Account Requirement. Any withdrawals from the Series 1989 A Reserve Account which result in a reduction in the balance of the Series 1989 A Reserve Account to below the Series 1989 A Reserve Account Requirement shall be subsequently restored from the first Net Revenues available after all required payments prescribed above have been made in full.

F. The Issuer shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after commencement of operation of the Project, (i) transfer to the Renewal and Replacement Fund a sum equal to two and one-half percent (2 1/2%) of the Gross Revenues each month, exclusive of any payments for account of the Series 1989 A Bonds Reserve Account; (ii) all funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and from each other, and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for extensions or improvements to the System or

for making emergency repairs or replacements to the System, provided that, any deficiencies in the Series 1989 A Bonds Reserve Account shall be promptly eliminated with monies from the Renewal and Replacement Fund.

G. The Issuer shall next, on the first day of each month, commencing thirteen (13) months prior to the first date of payment of principal on the Series 1989 B Bonds, apportion, set apart and remit to the Commission for deposit in the Series 1989 B Bonds Sinking Fund, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Series 1989 B Bonds on the next ensuing principal payment date.

H. The Town shall next, on the first day of each month commencing thirteen (13) months prior to the first date of payment of the Series 1989 B Bonds, remit to the Commission for deposit in the Series 1989 B Reserve Account, an amount equal to one one hundred twentieth (1/120) of the Series 1989 B Reserve Account Requirement, provided that, no further payments shall be made into the Series 1989 B Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1989 B Reserve Account Requirement. Once the Series 1989 B Reserve Account has been funded at the Series 1989 B Reserve Account Requirement, the Town shall next, remit to the Commission for deposit in the Series 1989 B Reserve Account, an amount equal to any deficiency in the Series 1989 B Reserve Account Requirement. Any withdrawals from the Series 1989 B Reserve Account, which result in a reduction in the balance of the Series 1989 B Reserve Account to below the Series 1989 B Reserve Account Requirement, shall be subsequently restored from the first Net Revenues available after all required payments prescribed above have been made in full.

Monies in the Series 1989 A Bonds Sinking Fund and the Series 1989 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Monies in the Series 1989 A Bonds Reserve Account and the Series 1989 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds as the same shall come due, when over monies in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the several Sinking Funds and Reserve Accounts shall be returned not less than once each year by the Commission to the Issuer for deposit in the Revenue Fund, and such amounts shall be applied in full, first to the next ensuing interest payments, if any, due on the respective series of Bonds, and then to the next ensuing principal payments due thereon.

As and when additional Bonds ranking on a parity with the Series 1989 B Bonds are issued, provision shall be made for additional payments into the Series 1989 B Sinking Fund sufficient to pay the interest, if any, on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series 1989 B Reserve Account in an amount equal to the maximum principal and interest, if any, on the Series 1989 B Bonds, including such additional Series 1989 B Bonds which, by their terms, are payable from such Sinking Fund, coming due in any year.

As and when additional Bonds ranking on a parity with the Series 1989 A Bonds are issued, provision shall be made for additional payments into the Series 1989 A Sinking Fund, sufficient to pay the interest on such additional Parity Bonds and accomplish retirement thereof at maturity, and to accumulate a balance in the Series 1989 A Reserve Account in an amount equal to the maximum principal and interest on the Series 1989 A Bonds, including such additional Series 1989 A Bonds which, by their terms, are payable from such Sinking Fund, coming due in any year.

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

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

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

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

I. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several funds as hereinbefore provided are current, and there remains in said Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Account therein and the Renewal and Replacement Fund, during the following month or such other period as required by law, such excess shall be considered Surplus Revenues which may

be used for any lawful purpose of the Issuer, including, but not limited to payment to the Trustee for deposit in the Notes Debt Service Fund as defined in the Indenture.

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

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

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

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

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

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

ARTICLE VI

ORIGINAL BOND PROCEEDS; FUNDS AND ACCOUNTS

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

A. There shall next be paid from the proceeds of the Bonds, be credited to the Bond Construction Trust Fund, and then paid to the Depository Bank, the amount necessary to pay in full all prior borrowings of the Issuer in connection with the Project, including interest accrued thereon, and the Depository Bank shall, concurrently with such deposit, pay such borrowings as directed by the Issuer.

B. Next, from the proceeds of the Series 1989 A Bonds, there shall be first credited to the Construction Trust Fund and then deposited with the Commission in the Series 1989 A Reserve Account, a sum equal to the Series 1989 A Reserve Requirement, and from the proceeds of the Series 1989 B Bonds, there shall be first credited to the Construction Trust Fund and then deposited with the Commission in the Series 1989 B Reserve Account, a sum equal to the Series 1989 B Reserve Requirement.

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

D. The Depository Bank shall act as a Trustee and Ffiduciary for the Bondholder with respect to the Bond Construction Trust Fund, and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Monies in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project, and until so expended, are hereby pledged as additional security for the Bonds, with the lien on account of the Series 1989 B Bonds being junior and subordinate to that of the Series 1989 A Bonds. In the event that Notes are issued, the disposition of funds in the Bond Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

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

Disbursements from the Bond Construction Trust Fund, except for the costs of issuance thereof, which shall be made upon request of the Issuer, shall be made only after submission to the Depository Bank of a certificate signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

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

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

After completion of the Project as certified by the Consulting Engineers, the Depository Bank shall transfer any monies remaining in the Bond Construction Trust Fund to the Series 1989 A Bonds Reserve Account, and when fully funded, to the Series 1989 B Bonds Reserve Account, and when both Reserve Accounts are fully funded, shall return such remaining monies to the Issuer for deposit in the Revenue Fund. The Issuer shall, thereafter, apply such monies in full, first to the next ensuing interest payments, if any, due on the respective series of Bonds, and next, to the next ensuing principal payments due thereon. Notwithstanding the foregoing, if the Authority tenders any of its Series 1989 B Bonds to the Issuer pursuant to the provisions of the Supplemental Loan Agreement, such monies shall be applied to the purchase of such Series 1989 B Bonds.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

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

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

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all the Series 1989 A Bonds shall be secured forthwith, equally and ratably with each other, by a lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1989 B Bonds shall also be secured forthwith, equally and ratably with each other, by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1989 A Bonds. Such Net Revenues, in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make the payments into the Sinking Funds, the Reserve Accounts therein, and the Renewal and Replacement Fund, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System has been passed and approved by the Council as of November 8, 1989. A copy of the Ordinance so passed is attached hereto as Exhibit "E".

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

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System, hereinafter determined in the manner provided herein, to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000.00, the Issuer shall, by resolution, determine that such property comprising a part of the System, is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same fiscal year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000.00 but not in excess of $50,000.00, the Issuer shall first determine, upon consultation with the Consulting Engineers, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, if it be so advised by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such

fiscal year in excess of $10,000.00 and not in excess of $50,000.00, shall, with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Fund, and shall be applied only to the purchase of Bonds of the last maturities then outstanding, at prices not greater than the par value thereof plus three percent (3%) of the such par value, or otherwise shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provision of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same fiscal year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000.00 and insufficient to pay all the Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over fifty percent (50%) in amount of the Bonds then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any obligations, whatsoever, with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or Supplemental Resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation, provided that, Parity Bonds, having a lien on the net revenues, which may dilute the amount of Surplus Revenues available for the Notes, may be issued to complete the Project. So long as any of the Bonds are Outstanding, no obligations payable from the revenues of the System, which rank prior to or equally as to lien on and source of and security for payment from such revenues with the Bonds, may be issued, provided however, that, additional Parity Bonds may be issued as provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity, contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues, and in all other respects, to the Series 1989 A Bonds and the Series 1989 B Bonds, provided that, no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts, the Sinking Fund and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations, have been made and are current.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over, or being on a parity with, the lien of the Bonds and the interest

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

Section 7.07. Parity Bonds.

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

No Parity Bonds shall be issued which shall be payable out of the revenues of the System prior to or on a parity with the Series 1989 A Bonds, as long as the Series 1989 B Bonds are outstanding. All Parity Bonds issued hereunder, as long as the Series 1989 B Bonds are outstanding, shall be on a parity, in all respects, with the Series 1989 B Bonds only.

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

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

1. The Bonds then outstanding;

2. Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then outstanding; and

3. The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds, and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, or which are otherwise not subject to further

appeal, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve-consecutive-month period hereinabove referred to, may be adjusted by adding to such Net Revenues such additional New Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds, or which are otherwise not subject to further appeal.

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

All covenants and other provisions of this Bond Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection, and security of the Holders of the Bonds, and the Holders of any Parity Bonds subsequently issued, from time to time, within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security or payment from said revenues, without preference of any Bond of one series over any other Bonds of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds heretofore issued pursuant to this Bond Ordinance.

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

Parity Bonds shall not be deemed to include Bonds, Notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior liens of the Series 1989 A Bonds and the Series 1989 B Bonds on such Revenues. The Issuer shall not issue any obligations whatsoever, payable from the Revenues of the System, or any part thereof, which rank prior to or except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such Revenues, with the Series 1989 A Bonds or the Series 1989 B Bonds.

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

B. Notwithstanding the foregoing or any provision of Section 7.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project, as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer, the written consent of the Authority to the issuance of Bonds on a parity with the Series 1989 A Bonds.

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

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

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

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail, upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds or Notes, as the case may be, and shall file said report with the Trustee and the Authority, or any other original purchaser of the Bonds.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System, have been established all in the manner and form required by law, and copies of such rates and charges, as established, will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall, at all times, be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary, unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges, from time to time in effect, shall be sufficient, along with other revenues of the System, (i) to pay for all reasonable expenses of operation, repair and maintenance of the System, and (ii) to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds, provided that, in the event that an amount equal to or in excess of the Reserve Requirements are on deposit in the Reserve Accounts for Bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least one hundred ten percent (110%) of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such Revenues prior to or on a parity with the Bonds.

Section 7.10. Operating Budget and Audit. The Issuer shall annually, at least forty-five (45) days preceding the beginning of each fiscal year, prepare and adopt, by resolution, a detailed, balanced budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal year in excess of the amounts provided therefor in such budget, without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state, in detail, the purpose of necessity for such increased expenditures for the operation and

maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance, to the Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System, at all reasonable times, to the Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

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

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant, cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality, whatsoever, for the providing of any services which would compete with services provided by the System.

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut

off the services and facilities of the System and any services of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for services of the System, and will not restore such services of either System until all delinquent charges for the services of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.14. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that as long as any of the Bonds or the Notes remain outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers, as is customarily covered, with respect to works and properties similar to the System, with such beneficence as shall be required by Section 2.8 of the Loan Agreement. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTENING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurance portions of the System, in an amount equal to the actual cost thereof. In time of war, the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance received by the Issuer shall be deposited in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for other purposes of the Renewal and Replacement Fund. The Issuer will, itself, or will require each contractor and subcontractor, to obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors, as their interests may appear, during construction of the Project in the full insurable value thereof, all as required by the Loan Agreement. The Town shall carry such other insurance as required by the

Authority, including, but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the Town.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than Five Hundred Thousand and NO/100 Dollars ($500,000.00) per occurrence, to protect the Issuer from claims for bodily injury and/or death, and not less than One Hundred Thousand and NO/100 Dollars ($100,000.00) per occurrence, for claims for damage to property of others, which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of the operation of or ownership of motor vehicles for the System.

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

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such Worker's Compensation coverage for all employees working on the Project, and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

If the Project is detrimentally affected by flooding or is located in designated special flood or mud-slide prone areas, and if flood issurance is available at a reasonable cost, a flood insurance policy shall be obtained by the Issuer. Prior to commencing operation of the Project, the Issuer shall obtain business interruption insurance if available at a reasonable cost. These policies of insurance shall be kept in effect so long as Local Bonds are outstanding.

Section 7.15. Connection. 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.

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

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

Except as provided in the Indenture, if any, with respect to funds and accounts created thereby, any investment shall be held in, and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment, shall be created or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost of the then current market value, or at the redemption price thereof, if then redeemable at the option of the Holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Trustee, if any, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Trustee, if any, the Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or wilful misconduct.

Section 8.02. Restrictions as to Arbitrage Bonds. The Issuer hereby covenants and hereby so instructs the Bond Commission and the Trustee, that they shall not permit, at any time or times, any of the proceeds of the Bonds or any other funds of the Issuer, to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "Arbitrage Bond" as defined in Section 148 of the Internal Revenue Bode of 1986 (or any successor provision), and an Authorized Officer shall deliver his certificate, based upon this covenant with regard thereto, to the purchaser of the Original Bonds.

Section 8.03. Rebates of Excess Arbitrage Earnings. In accordance with Section 148(f)(C) of the Code, the Issuer represents that it is a governmental unit with general taxing powers, that the Bonds are not private activity Bonds as defined in Section 141 of the Code, that ninety-five percent (95%) or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Issuer), and that the aggregate face amount of the all tax-exempt obligations (other than private activity bonds, as defined in Section 142 of the Code) issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year in which the Bonds are issued, will not exceed Five Million and NO/100 Dollars ($5,000,000.00). Therefore, the Issuer believes that it is exempt from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the Issuer is, in fact, subject to such rebate requirements, the Issuer hereby covenants to rebate to the United States Government, the amounts required by the Code, and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates, as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of the interest on the Bonds.

Section 8.04. Covenant to Amend Ordinance. The Town retains the right to make any amendments, insertions or deletions by Supplemental Resolution to this Ordinance as the Town deems desirable or necessary prior to the issuance of the Bonds, including, but not limited to, amendments, insertions and deletions to comply with the Code. Notwithstanding the provisions of Section 11.01 hereof, the Town shall, without consent of the Owners of any Bonds or Notes, as the case may be, amend or supplement this Ordinance by a resolution supplemental hereto or any amendatory ordinance to comply with the Code, if such amendment or supplement is necessary to preserve the tax-exempt status of the Bonds or Notes. The Council of the Town hereby retains the specific authority to amend this Ordinance or supplement it by resolution, to comply with the Code. In its determination to amend or supplement this Ordinance, the Town may rely on the opinion of nationally recognized bond counsel.

Section 8.05. Public Purpose Bonds. The Town shall use the Original Bond proceeds solely for the Project and as otherwise set forth herein, and the Project will be operated solely for a public purpose and as a local governmental activity of the Town.

Section 8.06. Private Activity Bond Covenant. The Town shall not permit, at any time or times, any of the proceeds of the Bonds or any other funds of the Town, to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code, by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Town will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

Section 8.07. Filing Covenant. The Town will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

Section 8.08. Federal Guarantee Covenant. The Bonds, in whole or in part, are not and will not be directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

Section 8.09. Restriction of Yield on Bond Proceeds. The Town shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default.

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

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any Supplemental Resolution, or in the Notes, and such default shall have continued for a period of thirty (30) days after the Issuer shall have been given written notice of such default by the Trustee, any other bank or banking association holding any fund or account hereunder, or a Holder of a Note; or

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

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

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Bond Legislation, any Supplemental Resolution, the Indenture or in the Bonds, any such default shall have continued for a period of thirty (30) days after the Issuer shall have been given written notice of such default by the Trustee, any other bank or banking association holding any fund or account hereunder, or a Holder of Bonds; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note or Bond, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her right, and in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding, enforce all rights of such Registered Owners includ-

ing the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to, the making and collection of sufficient rates or charges for services rendered by the system, (iii) bring suit upon the Notes or Bonds, as the case may be, (iv) by action at law or bill in equity, require the Issuer to account, as if it were the Trustee, of an express trust for the Registered Owners of the Notes or Bonds, as the case may be, and (v) by action or bill in equity, enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1989 B Bonds shall be subject to those of the Holders of the Series 1989 A Bonds.

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

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for Reserve, Sinking or other funds, and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System, shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the system shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

Any rights of the Registered Owners of the Series 1989 B Bonds, with respect to the remedies provided by this Section, shall be subject to the prior and senior rights of the Registered Owners of the Series 1989 A Bonds.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1989 A Bonds. If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the respective Holders of all Series 1989 A Bonds, the principal of and interest due or to become due thereon, at the time and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1989 A Bonds only, the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1989 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1989 A Bonds, for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient to pay as and when due, the principal installments of and interest on such Series 1989 A Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1989 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the Commission at the same or earlier time, shall be sufficient to pay, when due, the principal installments of and interest due and to become due on said Series 1989 A Bonds on and prior to the maturity dates thereof, or to a prior redemption date thereof (including in such instance, any premium to come due thereon). Neither securities nor monies deposited with the Commission pursuant to this section, nor principal or interest payments on any such securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1989 A Bonds, provided that, any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay, when due, the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1989 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the respective Holders of all Series 1989 B Bonds, the principal of and interest due or to become due thereon, at the time and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1989 B Bonds only, the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation, and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1989 B Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1989 B Bonds, for the payment of which either monies in an amount which shall be sufficient or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient to pay as and when due, the principal installments of and interest on such Series 1989 B Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1989 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section, if there shall have been deposited with the Commission or its agent, either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the Commission at the same or earlier time, shall be sufficient to pay, when due, the principal installments of and interest due and to become due on said Series 1989 B Bonds on and prior to the maturity dates thereof, or to a prior redemption date thereof (including in such instance any premiums to come due thereon). Neither securities nor monies deposited with the Commission pursuant to this section, nor principal or interest payments on any such securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1989 B Bonds, provided that, any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due, the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

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

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds and Notes, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, the Indenture, if any, the Bonds or the Notes, if any.

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

Section 11.05. Amendments to Maintain Tax Exemption. The Issuer hereby covenants to make any amendment or supplements to this Ordinance and to the Indenture authorized hereby to enable the interest on the Notes or Bonds to be and remain exempt from federal income taxation, and to preserve such tax exemption until the maturity or redemption thereof without further consent of the Holders of the Bonds or the Notes.

Section 11.06. Conflicting Provisions Repealed. All orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance, do exist, have happened, have been performed and have been taken in compliance with the laws and Constitution of the State of West Virginia applicable thereto, and that the Mayor, Recorder and members of the governing body were, at all times, when any actions in connection with this Ordinance occurred, duly in office and duly qualified for such office.

Section 11.08. Publication of Ordinance; Public Hearing. The Recorder hereby is authorized and directed to publish an abstract of this Ordinance and a notice of public hearing in substantially the form appended hereto as Exhibit "F" as a Class II-0 legal advertisement in compliance with the provisions of Chapter 59, Article III, of the Code of West Virginia, 1931, as amended, in the Charleston Daily Mail and the Charleston Gazette, being of general circulation in the Town. Said abstract and notice shall be published twice, the first such publication being not less than ten (10) days prior to the date of public hearing, and the second such publication being not less than seven (7) days or nor more than thirteen (13) days following said first publication but prior to the date of public hearing.

It is hereby determined that said abstract in such form contains sufficient information of the contents of this Ordinance.

The Council of the Town shall conduct a public hearing on the date stated in said abstract and notice, and shall permit any person interested in the Ordinance and the proposed issuance of the Series 1989 A Bonds and Series 1989 B Bonds to present protests, objections and suggestions relevant thereto.

Section 11.09. Effective Date. This Ordinance shall take effect after the public hearing and otherwise in accordance with law.

First Reading: _____

Second Reading: _____

Public Hearing: _____

CERTIFICATION

Certified a true copy of the Bond and Notes Ordinance duly enacted by the Council of the Town of Marmet on this 3 th day of January, 1989.

[SEAL]

Curtis W. Simpkins
Mayor

CERTIFICATION

Certified a true copy of the Bond and Notes Ordinance duly enacted by the Council of the Town of Marmet on this 3 th day of January, 1989.

[SEAL]

Curtis W. Stutzman
Mayor

TOWN OF MARMET

Sewer Revenue Bonds
Series 1990 A and Series 1990 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1990 A AND SERIES 1990 B OF THE TOWN OF MARMET; AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council ("Governing Body") of the Town of Marmet (the "Issuer"), has duly and officially enacted a Bond and Notes Ordinance, effective December 5, 1989 (the "Bond Ordinance"), entitled:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF MARMET, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN SEVEN HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS ($720,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN NINETY-FIVE THOUSAND AND NO/100 DOLLARS ($95,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, AND NOT MORE THAN ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($1,500,000.00) INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES, BOND ANTICIPATION NOTES, OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH, PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES, AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS, AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES, AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Sever Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount of not to exceed $815,000.00 to be issued in two series: the Series 1990 A Bonds to be in an aggregate principal amount of not more than $720,000.00 (the "Series 1990 A Bonds"), and the Series 1990 B Bonds to be in an aggregate principal amount of not more than $95,000.00 (the "Series 1990 B Bonds"); and has authorized the execution and delivery of a Loan Agreement relating to the Series 1990 A Bonds dated January 3, 1990, and a Supplemental Loan Agreement relating to the Series 1990 B Bonds, also dated January 3, 1990, (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with West Virginia Code 1931, as amended, Chapter 16, Article 13 (the "Act"); and in the Bond Ordinance it is provided that the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a Supplemental Resolution pertaining to the Bonds, and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Governing Body deems it essential and desirable that this Supplemental Resolution (the "Supplemental Resolution") be adopted and that the Loan Agreement be entered into and ratified by the Issuer, that the exact principal amounts, the series designation, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

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

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

(A) The Sewer Revenue Bonds, Series 1990 A of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $664,013.00. The Series 1990 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall bear interest at the rate of 7.85 percent per annum, payable semiannually on April 1 and October 1 of each year, first interest payable April 1, 1990, shall be subject to redemption only upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1990 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set

forth in "Schedule X," attached thereto and to the Loan Agreement and incorporated therein by reference and hereby specifically approved.

(B) The Sewer Revenue Bonds, Series 1990 B of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $30,987.00. The Series 1990 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall be interest free, shall be subject to redemption only upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1990 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Supplemental Loan Agreement and incorporated therein by reference and hereby specifically approved.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The Issuer does hereby approve, accept and ratify the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein on behalf of the Issuer are hereby ratified and approved. The price of the Bonds shall be one hundred percent (100%) of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and One Valley Bank, National Association, in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for the Bonds.

Section 6. The Issuer does hereby appoint City National Bank, Charleston, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. No Series 1990 A Bond proceeds shall be deposited in the Series 1990 A Bonds Sinking Fund, as capitalized interest.

Section 8. No Series 1990 A Bond proceeds or Series 1990 B Bond proceeds shall be deposited in the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account, respectively.

Section 9. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about January 3, 1990, to the Authority pursuant to the Loan Agreement.

Section 10. The financing of the Project which is projected to cost $2,678,000.00 in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Ordinance, therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in Qualified Investments until advised by the Issuer to the contrary.

Section 12. The Issuer shall not permit, at any time or times, any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. They will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 13. In accordance with Section 148(f)(4)(C) of the Internal Revenue Code of 1986, as amended, (the "Code"), the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that ninety-five percent (95%) or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer), and that the aggregate face amount of the all tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 1990 will not exceed $5,000,000.00, excluding, however, tax exempt obligations which are not outstanding as of the date of delivery of the Bonds.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 3rd day of January, 1990.

TOWN OF MARMET

By _____
Curtis Sutphin, Mayor

Adopted this 3rd day of January, 1990.

TOWN OF MARMET

By Curtis W Sutphin
Curtis Sutphin, Mayor

Town of Marmet
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
38 Principal Payments
Closing Date: 03-Jan-90

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds
01-Oct-90			38,804.18	38,804.18
01-Oct-91	7.85%	3,127.00	52,125.02	55,252.02
01-Oct-92	7.85%	3,373.00	51,879.55	55,252.55
01-Oct-93	7.85%	3,638.00	51,614.77	55,252.77
01-Oct-94	7.85%	3,923.00	51,329.19	55,252.19
01-Oct-95	7.85%	4,231.00	51,021.23	55,252.23
01-Oct-96	7.85%	4,563.00	50,689.10	55,252.10
01-Oct-97	7.85%	4,922.00	50,330.90	55,252.90
01-Oct-98	7.85%	5,308.00	49,944.53	55,252.53
01-Oct-99	7.85%	5,725.00	49,527.85	55,252.85
01-Oct-2000	7.85%	6,174.00	49,078.44	55,252.44
01-Oct-2001	7.85%	6,659.00	48,593.78	55,252.78
01-Oct-2002	7.85%	7,181.00	48,071.04	55,252.04
01-Oct-2003	7.85%	7,745.00	47,507.34	55,252.34
01-Oct-2004	7.85%	8,353.00	46,899.35	55,252.35
01-Oct-2005	7.85%	9,009.00	46,243.64	55,252.64
01-Oct-2006	7.85%	9,716.00	45,536.44	55,252.44
01-Oct-2007	7.85%	10,479.00	44,773.73	55,252.73
01-Oct-2008	7.85%	11,301.00	43,951.13	55,252.13
01-Oct-2009	7.85%	12,188.00	43,064.00	55,252.00
01-Oct-2010	7.85%	13,145.00	42,107.24	55,252.24
01-Oct-2011	7.85%	14,177.00	41,075.36	55,252.36
01-Oct-2012	7.85%	15,290.00	39,962.47	55,252.47
01-Oct-2013	7.85%	16,490.00	38,762.20	55,252.20
01-Oct-2014	7.85%	17,785.00	37,467.74	55,252.74
01-Oct-2015	7.85%	19,181.00	36,071.61	55,252.61
01-Oct-2016	7.85%	20,687.00	34,565.91	55,252.91
01-Oct-2017	7.85%	22,311.00	32,941.98	55,252.98
01-Oct-2018	7.85%	24,062.00	31,190.56	55,252.56
01-Oct-2019	7.85%	25,951.00	29,301.70	55,252.70
01-Oct-2020	7.85%	27,988.00	27,264.54	55,252.54
01-Oct-2021	7.85%	30,185.00	25,067.48	55,252.48
01-Oct-2022	7.85%	32,554.00	22,697.96	55,251.96
01-Oct-2023	7.85%	35,110.00	20,142.47	55,252.47
01-Oct-2024	7.85%	37,866.00	17,386.34	55,252.34
01-Oct-2025	7.85%	40,839.00	14,413.86	55,252.86
01-Oct-2026	7.85%	44,044.00	11,207.99	55,251.99
01-Oct-2027	7.85%	47,502.00	7,750.54	55,252.54
01-Oct-2028	7.85%	51,231.00	4,021.63	55,252.63
01-Oct-2029	0.00%	0.00	0.00	0.00
		664,013.00	1,474,384.79	2,138,397.79

Town of Marmet
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
38 Principal Payments
Closing Date: 03-Jan-90

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	815.35
01-Oct-92	815.45
01-Oct-93	815.45
01-Oct-94	815.45
01-Oct-95	815.45
01-Oct-96	815.45
01-Oct-97	815.45
01-Oct-98	815.45
01-Oct-99	815.45
01-Oct-2000	815.45
01-Oct-2001	815.45
01-Oct-2002	815.45
01-Oct-2003	815.45
01-Oct-2004	815.45
01-Oct-2005	815.45
01-Oct-2006	815.45
01-Oct-2007	815.45
01-Oct-2008	815.45
01-Oct-2009	815.45
01-Oct-2010	815.45
01-Oct-2011	815.45
01-Oct-2012	815.45
01-Oct-2013	815.45
01-Oct-2014	815.45
01-Oct-2015	815.45
01-Oct-2016	815.45
01-Oct-2017	815.45
01-Oct-2018	815.45
01-Oct-2019	815.45
01-Oct-2020	815.45
01-Oct-2021	815.45
01-Oct-2022	815.45
01-Oct-2023	815.45
01-Oct-2024	815.45
01-Oct-2025	815.45
01-Oct-2026	815.45
01-Oct-2027	815.45
01-Oct-2028	815.45
01-Oct-2029	0.00
	30,987.00

WDA-5
(December 1989)

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

Town of Marmet
(Name of Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

1.9 "System" means the water development project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, 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;

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account established for the payment of debt service on the Local Bonds (the "Reserve Account") is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement") and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

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

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

of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant 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;

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

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

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

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

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

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

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A.

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

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

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

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

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

4.7 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within the following periods commencing on the date of issuance of the Local Bonds:

10 percent within 6 months

45 percent within 1 year

75 percent within 18 months

100 percent within 2 years

(except for a reasonable retainage not exceeding 5% which will be spent within 3 years). The Governmental Agency agrees, within 30 days after the end of each six month period described above, and every six month period thereafter until all the

proceeds of the Local Bonds have been expended for the Project, to certify to the Authority the amount of expenditure from Local Bond proceeds as of the end of such period, and to the extent that expenditures do not meet the required levels, agrees to remit an amount to the Authority equal to 1.5% of such shortfall.

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

ARTICLE V

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

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

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

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

tion 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

under this Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of this Loan Agreement.

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

Town of Marmet
[Proper Name of Governmental Agency]

(SEAL)

By Curtis W. Sulphur
Its Mayor

Attest:

Date: January 3, 1990

Marie E. Hudnall
Its Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By Daniel B. Yorkosky
Director

Attest:

Date: January 3, 1990

Barbara R Meadows
Secretary-Treasurer

WDA-5X
(March 1988)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $ 664,013.00

Purchase Price of Local Bonds $ 664,013.00

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 7.85 % per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

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

Town of Marmet
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
38 Principal Payments
Closing Date: 03-Jan-90

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds
01-Oct-90			38,804.18	38,804.18
01-Oct-91	7.85%	3,127.00	52,125.02	55,252.02
01-Oct-92	7.85%	3,373.00	51,879.55	55,252.55
01-Oct-93	7.85%	3,638.00	51,614.77	55,252.77
01-Oct-94	7.85%	3,923.00	51,329.19	55,252.19
01-Oct-95	7.85%	4,231.00	51,021.23	55,252.23
01-Oct-96	7.85%	4,563.00	50,689.10	55,252.10
01-Oct-97	7.85%	4,922.00	50,330.90	55,252.90
01-Oct-98	7.85%	5,308.00	49,944.53	55,252.53
01-Oct-99	7.85%	5,725.00	49,527.85	55,252.85
01-Oct-2000	7.85%	6,174.00	49,078.44	55,252.44
01-Oct-2001	7.85%	6,659.00	48,593.78	55,252.78
01-Oct-2002	7.85%	7,181.00	48,071.04	55,252.04
01-Oct-2003	7.85%	7,745.00	47,507.34	55,252.34
01-Oct-2004	7.85%	8,353.00	46,899.35	55,252.35
01-Oct-2005	7.85%	9,009.00	46,243.64	55,252.64
01-Oct-2006	7.85%	9,716.00	45,536.44	55,252.44
01-Oct-2007	7.85%	10,479.00	44,773.73	55,252.73
01-Oct-2008	7.85%	11,301.00	43,951.13	55,252.13
01-Oct-2009	7.85%	12,188.00	43,064.00	55,252.00
01-Oct-2010	7.85%	13,145.00	42,107.24	55,252.24
01-Oct-2011	7.85%	14,177.00	41,075.36	55,252.36
01-Oct-2012	7.85%	15,290.00	39,962.47	55,252.47
01-Oct-2013	7.85%	16,490.00	38,762.20	55,252.20
01-Oct-2014	7.85%	17,785.00	37,467.74	55,252.74
01-Oct-2015	7.85%	19,181.00	36,071.61	55,252.61
01-Oct-2016	7.85%	20,687.00	34,565.91	55,252.91
01-Oct-2017	7.85%	22,311.00	32,941.98	55,252.98
01-Oct-2018	7.85%	24,062.00	31,190.56	55,252.56
01-Oct-2019	7.85%	25,951.00	29,301.70	55,252.70
01-Oct-2020	7.85%	27,988.00	27,264.54	55,252.54
01-Oct-2021	7.85%	30,185.00	25,067.48	55,252.48
01-Oct-2022	7.85%	32,554.00	22,697.96	55,251.96
01-Oct-2023	7.85%	35,110.00	20,142.47	55,252.47
01-Oct-2024	7.85%	37,866.00	17,386.34	55,252.34
01-Oct-2025	7.85%	40,839.00	14,413.86	55,252.86
01-Oct-2026	7.85%	44,044.00	11,207.99	55,251.99
01-Oct-2027	7.85%	47,502.00	7,750.54	55,252.54
01-Oct-2028	7.85%	51,231.00	4,021.63	55,252.63
01-Oct-2029	0.00%	0.00	0.00	0.00
		664,013.00	1,474,384.79	2,138,397.79

SCHEDULE Y
REVENUES

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if the Reserve Account was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit) in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than 10 years) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

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

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Department of Natural Resources and EPA.

2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

3. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Department of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.

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

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

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

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

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

(a) The Governmental Agency expects to enter into a contract within six months of the date thereof for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2-1/2 percent of the estimated total Project cost financed with proceeds from the sale of the Local Bonds or $100,000;

(b) Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years from the date of issuance of the Authority's water development revenue bonds;

(c) All of the proceeds from the sale of the Local Bonds which will be used for payment of costs of the Project will be expended for

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

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

WDA-Supp. 5
(March 1988)

SUPPLEMENTAL LOAN AGREEMENT

THIS SUPPLEMENTAL LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

Town of Marmet
(Name of Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions; Loan Agreement

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

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

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

1.4 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, to evidence the Supplemental Loan, as hereinafter defined, and to be purchased by the Authority with certain available funds (other than the proceeds of its water development revenue bonds), the lien of which on the revenues

of the System is junior, subordinate and inferior to that of the Local Bonds, all in accordance with the provisions of this Supplemental Loan Agreement.

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

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

date established pursuant to Section 3.4 of the Loan Agreement for delivery of the Local Bonds. Said conditions precedent are as follows:

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

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

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

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, 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;

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Supplemental Bonds required by State law, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(g) The Governmental Agency shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such

rates and charges is not, however, required to be effective until completion of construction of the Project), and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

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

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

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

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

simultaneously with the delivery of the Local Bond to the Authority.

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

3.6 Anything in this Loan Agreement notwithstanding, if the Authority is unable to pay the proceeds of the Supplemental Bonds to the Governmental Agency on the Date of Loan Closing due to the time required for processing the purchase order or requisition for such moneys with the State, the Authority may pay such proceeds as soon as received after the Date of Loan Closing; provided, that the Supplemental Bonds shall not evidence any debt to be repaid to the Authority until the proceeds thereof are received by the Governmental Agency.

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and the Supplemental Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or the Supplemental Bonds or, if the reserve accounts established for the payment of debt service on the Local Bonds (the "Reserve Account") and for the payment of debt service on the Supplemental Bonds (the "Supplemental Reserve Account") are funded (whether by bond proceeds, monthly deposits or otherwise), respectively, at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement") or on the Supplemental Bonds in the then current or any succeeding year (the "Supplemental Reserve Requirement"), as the case may be, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and the Supplemental Bonds and any such prior or parity obligations;

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

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

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Supplemental Bonds, except the Local Bonds and bonds on a parity with the Supplemental Bonds, which parity bonds shall only be issued if net revenues of

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

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Supplemental Loan Agreement;

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

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

(xiv) That the proceeds of the Supplemental Bonds, except any proceeds deposited in the Reserve Account or the Supplemental Reserve Account, must be deposited in a construction fund on which the owners of the Supplemental Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs); provided, that said construction fund may be the one established for the Local Bonds, which shall have a prior and senior lien thereon, but shall otherwise be kept separate and apart from all other funds of the Governmental Agency; and

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

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Supplemental Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit B.

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

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

4.4 The Supplemental Loan shall not bear interest.

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

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Supplemental Program, which administrative expenses shall be as determined by the Authority and shall include, but not be limited to, legal fees paid by the Authority.

4.7 If the schedule furnished to the Authority pursuant to Section 6.5 reflects an excess of funding for the Project, or if the Authority is otherwised advised of an excess of funding for the Project, the Authority may tender to the Governmental Agency its Supplemental Bonds for payment in an amount equal to such excess. Notwithstanding the foregoing, if the Governmental Agency has grant anticipation notes or some other interim financing outstanding upon completion of construction of the Project, it shall advise the Authority of such fact and submit a second schedule to the Authority upon payment of the interim financing, and the Authority shall not tender its Supplemental Bonds for payment until the outstanding interim financing has been paid.

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds and the Supplemental Bonds shall prove to be insufficient to produce the minimum sums set

forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Supplemental Loan Agreement.

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

the Authority by the Governmental Agency in connection with the Loan or the Supplemental Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Loan Agreement or this Supplemental Loan Agreement.

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

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

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

ARTICLE VII

Miscellaneous

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

7.2 Schedule X shall be attached to this Supplemental Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

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

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

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

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

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

Town of Marmet
[Proper Name of Governmental Agency]

(SEAL)

By Curtis W. Stephens
Its Mayor

Attest:

Date: January 3, 1990

Marie E. Hedrall
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By Daniel B. Yankosky
Director

Attest:

Date: January 3, 1990

Barbara B. Meadows
Secretary-Treasurer

SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	$ 30,987.00
Purchase Price of Supplemental Bonds	$ 30,987.00

Principal of the Supplemental Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference. The Supplemental Bonds bear no interest.

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

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

Town of Marmet
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
38 Principal Payments
Closing Date: 03-Jan-90

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	815.35
01-Oct-92	815.45
01-Oct-93	815.45
01-Oct-94	815.45
01-Oct-95	815.45
01-Oct-96	815.45
01-Oct-97	815.45
01-Oct-98	815.45
01-Oct-99	815.45
01-Oct-2000	815.45
01-Oct-2001	815.45
01-Oct-2002	815.45
01-Oct-2003	815.45
01-Oct-2004	815.45
01-Oct-2005	815.45
01-Oct-2006	815.45
01-Oct-2007	815.45
01-Oct-2008	815.45
01-Oct-2009	815.45
01-Oct-2010	815.45
01-Oct-2011	815.45
01-Oct-2012	815.45
01-Oct-2013	815.45
01-Oct-2014	815.45
01-Oct-2015	815.45
01-Oct-2016	815.45
01-Oct-2017	815.45
01-Oct-2018	815.45
01-Oct-2019	815.45
01-Oct-2020	815.45
01-Oct-2021	815.45
01-Oct-2022	815.45
01-Oct-2023	815.45
01-Oct-2024	815.45
01-Oct-2025	815.45
01-Oct-2026	815.45
01-Oct-2027	815.45
01-Oct-2028	815.45
01-Oct-2029	0.00
	30,987.00

SCHEDULE Y
REVENUES

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

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

(ii) as prescribed by the Loan Agreement, to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if the Reserve Account was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit) in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than ten years) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

(iv) beginning thirteen (13) months prior to the first date of payment of principal of the Supplemental Bonds, to provide debt service on the Supplemental Bonds by

depositing in a sinking fund one-twelfth (1/12) of the principal payment next coming due on the Supplemental Bonds and, if the Supplemental Reserve Account was not funded concurrently with the issuance thereof in an amount equal to the Supplemental Reserve Requirement, by depositing in the Supplemental Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than 10 years) of the Supplemental Reserve Requirement or, if the Supplemental Reserve Account has been so funded (whether by Supplemental Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Supplemental Reserve Account at the Supplemental Reserve Requirement;

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

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

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Department of Natural Resources and EPA.

2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

3. As a condition precedent to the Authority's making the Supplemental Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Department of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.

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

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

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

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

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: December 26, 1989

CASE NO. 89-727-S-CN

THE SANITARY BOARD OF THE CITY OF MARMET,
a municipal corporation, Kanawha County.
Application for a certificate of convenience and necessity to construct a regional secondary treatment plant to treat wastewater generated in both the cities of Marmet and Chesapeake; to upgrade existing pump stations in Marmet and Chesapeake; install force mains, and demolish existing primary sewage treatment facilities in both cities.

FINAL ORDER

On October 24, 1989, the Sanitary Board of the City of Marmet (Applicant) filed an application for a certificate of convenience and necessity to construct a regional secondary treatment plant of 478,000 gpd capacity to treat wastewater generated in both the cities of Marmet and Chesapeake; to upgrade existing pump stations in Marmet and Chesapeake; install force mains, and demolish existing primary sewage treatment facilities in both cities in Kanawha County. The construction of this treatment plant is required to enable Marmet to comply with a certain Consent Decree entered into between Marmet and the State of West Virginia in State ex rel. David W. Robinson v. Town of Marmet, Civil Action No. 88-C-107 in the Circuit Court of Kanawha County. The parties also filed a proposed intermunicipal agreement, dated March 23, 1989, by which the City of Marmet agreed to treat the City of Chesapeake's sewage, according to specified terms and conditions.

According to the application, the Applicant estimates that construction will cost approximately $2,678,080 and will be financed as follows: an Environmental Protection Agency (EPA) Grant of $1,202,990; a HUD Community Development Block Grant (CDBG) of $680,000; a Kanawha County Commission Grant of $100,000; and a Water Development Authority (WDA) loan of $695,090, to be repaid over 38 years at an interest rate of 7.5%. Both Marmet and Chesapeake have passed municipal rate ordinances to generate additional revenue for the construction of the proposed treatment plant. The Applicant represented that the approved rates will generate adequate revenues to support continued operation of the system, after project construction.

By order entered on October 24, 1989, the Applicant was ordered to give notice of the filing of the application by publishing a copy of the Commission's order, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Kanawha County, making

due return to the Commission of proper certification of publication immediately thereafter. Anyone desiring to make written objection to the application was given leave to do so, within thirty (30) days after the date of publication of the notice of filing. The order further provided that, if no protests were received within the thirty-day period, the Commission could waive formal hearing and grant the application of the Applicant, based upon the evidence submitted with the application and the Commission's review thereof.

On November 2, 1989, the Applicant filed an affidavit of publication from The Charleston Gazette, a newspaper published and of general circulation in Kanawha County, indicating that notice of the filing of the application was given, as required, on October 28, 1989. The thirty (30) day period in which to file written protest expired on November 27, 1989. As of the date of this order, no protests have been filed with the Public Service Commission in response to the published notice.

The City of Marmet had previously requested approval of a similar application in Case No. 89-152-S-CN, which was dismissed without prejudice. All information contained in the earlier case, Case No. 89-152-S-CN is hereby incorporated by reference and considered as part of the current filing, which would include the letters of commitment for the various fundings, Rule 42 exhibits and preliminary reports.

The Applicant has submitted proof that increased rates and charges have been adopted, as proposed, by duly enacted municipal ordinances. The City of Marmet submitted proof that its proposed municipal ordinance was noticed to the public by publication on October 30, 1989 and November 6, 1989. On November 8, 1989, the Marmet City Council finally approved its rate ordinance. There was no public protest to Marmet's increase in rates. Chesapeake also submitted proof of publication of its proposed increase in rates made on October 27, 1989 and November 3, 1989. On November 6, 1989, the Chesapeake City Council finally approved its rate ordinance. There has been no public protest to Chesapeake's increase in rates.

Pursuant to standard Commission policy, this application was submitted to the Commission's various operating divisions for their respective review and recommendations. On December 21, 1989, a Joint Staff Memorandum was filed by Thomas Sayre, Staff Attorney. An Internal Memorandum, dated December 19, 1989, from Woody Bare, Financial Analyst, and C. E. Windham, Jr., P.E., Water and Sewer Section, Utilities Division, was attached to the Joint Staff Memorandum. For the reasons stated in those Memoranda, Staff recommends approval of this application, based on the information submitted by the City. Staff concluded that the project need is evidenced by the Consent Decree in Civil Action No. 88-C-107 in the Circuit Court of Kanawha County, and the approved rates will generate adequate revenue to support the proposed project. Since protests have been filed in regard to this case, Staff, based upon review of the data submitted by the Applicant, recommends approval of a certificate of convenience and necessity without a formal hearing.

Commission Staff also reviewed the proposed March 23, 1989 intermunicipal agreement between Marmet and Chesapeake. Staff recommended

approval of the agreement, finding the terms and conditions to be reasonable, no party had an undue advantage over the other and the agreement would not adversely effect the public.

Upon consideration of all of the above, the Administrative Law Judge (ALJ) is of the opinion that a certificate of convenience and necessity should be granted to the Sanitary Board of the City of Marmet to construct a regional secondary treatment plant of 478,000 gpd capacity to treat wastewater generated in both the cities of Marmet and Chesapeake; to upgrade existing pump stations in Marmet and Chesapeake; install force mains, and demolish existing primary sewage treatment facilities in both cities in Kanawha County. The need for the project is demonstrated by the City of Marmet's need to comply with a certain Consent Decree entered into between Marmet and the State of West Virginia in State ex rel. David W. Robinson v. Town of Marmet, Civil Action No. 88-C-107 in the Circuit Court of Kanawha County. The project is adequately financed through grants and funds, as indicated by the supporting information and the Joint Staff Memorandum. Adequate notice of the project was given by the Applicant, and no protests were filed in response thereto. Also, the adopted rate ordinances for both cities, as adopted by Marmet on November 8, 1989, and the by Chesapeake on November 6, 1989, provide adequate revenues to support the upgraded sewer system, based upon Staff's review.

FINDINGS OF FACT

1. On October 24, 1989, the Sanitary Board of the City of Marmet (Applicant) filed an application for a certificate of convenience and necessity to construct a regional secondary treatment plant of 478,000 gpd capacity to treat wastewater generated in both the cities of Marmet and Chesapeake; to upgrade existing pump stations in Marmet and Chesapeake; install force mains, and demolish existing primary sewage treatment facilities in both cities in Kanawha County. (Application filed October 24, 1989).

2. The entire project will cost approximately $2,678,080 with funding provided by an EPA Grant of $1,202,990; CDBG Grant of $680,000; Kanawha County Commission Grant of $100,000; and a bond issuance from the WDA of $695,090 for 38 years at an interest rate of 7.5%. (Application filed October 24, 1989, and Joint Staff Memorandum filed December 21, 1989).

3. The Sanitary Board of the City of Marmet gave notice of the filing of the application, as well as the estimated cost of the project and it financing, by publication, on October 28, 1989, and no protests have been received by the Commission in response thereto. (Affidavit of Publication filed November 2, 1989.

4. The City has enacted a valid municipal ordinance reflecting increased rates and charges for water service, which are sufficient to cover the operation and maintenance expenses of the City, following construction of the proposed project. (See, Joint Staff Memorandum dated September 25, 1989).

5. Commission Staff has reviewed this project, which is the subject of this proceeding, and recommends that a certificate of convenience and necessity be granted and that the associated funding, as described in the Joint Staff Memorandum of September 25, 1989, be approved. (Joint Staff Memorandum dated September 25, 1989).

6. Commission Staff also reviewed the proposed March 23, 1989 intermunicipal agreement between Marmet and Chesapeake. Staff recommended approval of the agreement, finding the terms and conditions to be reasonable, no party had an undue advantage over the other and the agreement would not adversely effect the public. (Joint Staff Memorandum dated September 25, 1989).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed construction of a regional secondary treatment plant to treat wastewater generated in both the cities of Marmet and Chesapeake, Kanawha County, as applied for by the Sanitary Board of the City of Market, and said project should be approved, because the Sanitary Board of the City of Market has provided adequate and proper notice to the public of the proposed project and no protests have been filed in response thereto; there is an established need for the described project; the project is adequately funded through grants and loans; and, the City's existing rates are adequate to support the system, after construction.

2. Good cause has been shown to waive formal hearing on this matter, pursuant to West Virginia Code §24-2-11, since no protests have been received to the project and Staff has fully reviewed this project.

3. The issuance of this certificate of convenience and necessity is specifically granted, and any substantial changes in the scope of this project and/or funding after the granting of this certificate will require further Commission approval.

4. It is reasonable and appropriate to allow the parties to enter into the proposed intermunicipal agreement of March 23, 1989, without specifically approving the terms of that agreement, in accordance with the provisions of West Virginia Code §24-2-12.

ORDER

IT IS, THEREFORE, ORDERED that:

1. A certificate of convenience and necessity be, and it hereby is, granted to the Sanitary Board of the City of Marmet to construct a regional secondary treatment plant to treat wastewater generated in both cities of Marmet and Chesapeake; to upgrade existing pump stations in Market and Chesapeake; install force mains, and demolish existing primary sewage treatment facilities In both cities, as above described in the City's October 24, 1989 application.

2. Formal hearing on this matter be waived, pursuant to West Virginia Code §24-2-11, for the reasons that no protests were received after publication and there remain no outstanding issues to be litigated.

3. If any substantial change in the scope of this project and/or funding becomes necessary, the City of Marmet shall apply to the Commission for supplemental approval of its modified project.

4. The Sanitary Board of the City of Marmet and the City of Chesapeake are hereby granted the Commission's consent and approval to enter into the March 23, 1989 sewage treatment agreement, as submitted in this case, without specifically approving he terms and conditions of that agreement, in accordance with the provisions of West Virginia Code §24-2-12.

5. The Executive Secretary of the Commission shall serve a copy of this Order upon the City of Marmet by United States First Class Mail and upon the Commission Staff by hand delivery; and

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

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

Miles C. Cary

Miles C. Cary
Administrative Law Judge

MCC:mal/dfs

Public Service Commission
Of West Virginia

Richard E. Hill
General Counsel

Phone: (304) 340-0317
FAX (304) 340-0325

January 3, 1990

John Poffenbarger
915 Charleston National Plaza
Charleston, WV 25301

Re: Case No. 89-727-S-CN
The Sanitary Board of the City of Marmet

Dear Mr. Poffenbarger:

It was good working with you and others in the Sanitary Board of the City of Marmet, Case No. 89-727-S-CN. I specifically represent, as Staff Attorney in the above referenced case, that Commission Staff will not appeal the ALJ's Final Order of December 26, 1989. The ALJ adopted Staff's recommendations. Accordingly, I pray that the regional secondary treatment plant will be constructed in an efficient and professional manner so as to benefit the public.

Should you need to contact me, please feel free to do so.

Respectfully,

Thomas Sayre

Thomas Sayre
Staff Attorney

TS/cbd

TOWN OF MARMET

Sewer Revenue Bonds
Series 1990 A and Series 1990 B

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, DANIEL B. YONKOSKY, Director of West Virginia Water Development Authority, for and on behalf of West Virginia Development Authority (the "Authority"), and CURTIS SUTPHIN, Mayor of the Town of Marmet (the "Issuer"), hereby certify as follows:

(1) On the 3rd day of January, 1990, the Authority received the entire original issue of $695.00.00 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B (collectively, the "Bonds"), issued as a single, fully registered Bond of each Series, numbered AR-1 and BR-1, respectively, both dated January 3, 1990, the Series 1990 A Bond being in the principal amount of $664,013.00, and the Series 1990 B Bond being in the principal amount of $30,987.00.

(2) At the time of such receipt of the Bonds upon original issuance, all of the Bonds had been executed by Curtis Sutphin, as Mayor of the Issuer, by his manual signature, and by Marie E. Hudnall, as Recorder of the Issuer, by her manual signature, and the official seal of the Issuer had been affixed upon the Bonds.

(3) The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the proceeds of the Series 1990 A Bonds in the aggregate amount of $664,013.00, and of the proceeds of the Series 1990 B Bonds in the aggregate amount of $30,987.00.

IN WITNESS WHEREOF, Daniel B. Yonkosky duly signed and delivered this receipt on behalf of WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, and the TOWN OF MARMET has caused this receipt to be duly executed and delivered by its Mayor, as of this 3rd day of January, 1990.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Daniel B. Yonkosky
Director

TOWN OF MARMET

By Curtis W. Sutphin
Mayor

TOWN OF MARMET

Sewer Revenue Bonds
Series 1990 A and Series 1990 B

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

January 3, 1990

One Valley Bank, National Association
One Valley Square
Charleston, West Virginia 25301

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Town of Marmet Sewer Revenue Bonds, Series 1990 A, in the principal amount of $664,013.00, and Bond No. BR-1, constituting the entire original issue of the Town of Marmet Sewer Revenue Bonds, Series 1990 B, in the principal amount of $30,987.00, both dated January 3, 1990, (collectively, the "Bonds"), executed by the Mayor and Recorder of the Town of Marmet (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond and Notes Ordinance and Supplemental Resolution, duly enacted and adopted by the Issuer (collectively, the "Local Act");

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

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

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

[Form of Series 1990 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF MARMET SEWER REVENUE
BOND, SERIES 1990 A

No. AR-1 **$664,013.00**

KNOW ALL MEN BY THESE PRESENTS: That the Town of Marmet, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received hereby, promises to pay, solely from the special funds provided therefor as hereinafter set forth, to West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of Six Hundred Sixty-Four Thousand Thirteen and NO/100 Dollars ($664,013.00), in annual installments on October 1 of each year, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated hereby by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1990. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of One Valley Bank, National Association, a national banking association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions

prescribed by, and otherwise in compliance with the Loan Agreement between the Issuer and the Authority, dated January 3, 1990.

This Bond is issued (i) to pay costs of acquisition and construction of certain additions, improvements and betterments to the existing sewerage treatment system, collection and transportation facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the *West Virginia Code* of 1931, as amended (the "Act"), and an ordinance duly enacted by the Issuer on December 5, 1989, effective December 5, 1989, as supplemented by a resolution duly adopted by the Issuer on the 2nd day of January, 1990, (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional Bonds under certain conditions, and such Bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1990 B, of the Issuer (the "Series 1990 B Bonds"), issued in the aggregate principal amount of Thirty Thousand Nine Hundred Eighty-Seven and NO/100 Dollars ($30,987.00), which Series 1990 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1990 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the monies in the Series 1990 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required to pay in any year the maximum amount due on principal of and interest on the Bonds and the Series 1990 B Bonds, and on all other obligations secured by or payable from

such revenues prior to or on a parity with the Bonds, or the Series 1990 B Bonds, provided however, that so long as there exists in the Series 1990 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the reserve account established for the Series 1990 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1990 B Bonds, in an amount at least equal to the respective requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, THE TOWN OF MARMET has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated January 3, 1990.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

ONE VALLEY BANK, NATIONAL ASSOCIATION

_____
As Registrar

By: _____
Its Authorized Officer

Dated: January 3, 1990

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[FORM OF ASSIGNMENT]

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

_____

_____

_____,

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

Dated: _____

_____

In the presence of:

_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF MARMET SEWER REVENUE
BOND, SERIES 1990 A

No. AR-1 **$664,013.00**

KNOW ALL MEN BY THESE PRESENTS: That the Town of Marmet, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received hereby, promises to pay, solely from the special funds provided therefor as hereinafter set forth, to West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of Six Hundred Sixty-Four Thousand Thirteen and NO/100 Dollars ($664,013.00), in annual installments on October 1 of each year, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated hereby by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1990. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of One Valley Bank, National Association, a national banking association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

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

This Bond is issued (i) to pay costs of acquisition and construction of certain additions, improvements and betterments to the existing sewerage treatment system, collection and transportation facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the *West Virginia Code* of 1931, as amended (the "Act"), and an ordinance duly enacted by the Issuer on December 5, 1989, effective December 5, 1989, as supplemented by a resolution duly adopted by the Issuer on the 2nd day of January, 1990, (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional Bonds under certain conditions, and such Bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1990 B, of the Issuer (the "Series 1990 B Bonds"), issued in the aggregate principal amount of Thirty Thousand Nine Hundred Eighty-Seven and NO/100 Dollars ($30,987.00), which Series 1990 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1990 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the monies in the Series 1990 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required to pay in any year the maximum amount due on principal of and interest on the Bonds, the Series 1990 B Bonds, and on all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds, or the Series 1990 B Bonds, provided however, that so long as there exists in the Series 1990 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest which will become

due on the Bonds in any year, and in the reserve account established for the Series 1990 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1990 B Bonds, in an amount at least equal to the respective requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, THE TOWN OF MARMET has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated January 3, 1990.

[SEAL]

Mayor

ATTEST:

Marie E. Hudnall
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

ONE VALLEY BANK, NATIONAL ASSOCIATION

As Registrar

By: _____
Its Authorized Officer

Dated: January 3, 1990

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

Exhibit A

Town of Marmet
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
38 Principal Payments
Closing Date: 03-Jan-90

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds
01-Oct-90			38,804.18	38,804.18
01-Oct-91	7.85%	3,127.00	52,125.02	55,252.02
01-Oct-92	7.85%	3,373.00	51,879.55	55,252.55
01-Oct-93	7.85%	3,638.00	51,614.77	55,252.77
01-Oct-94	7.85%	3,923.00	51,329.19	55,252.19
01-Oct-95	7.85%	4,231.00	51,021.23	55,252.23
01-Oct-96	7.85%	4,563.00	50,689.10	55,252.10
01-Oct-97	7.85%	4,922.00	50,330.90	55,252.90
01-Oct-98	7.85%	5,308.00	49,944.53	55,252.53
01-Oct-99	7.85%	5,725.00	49,527.85	55,252.85
01-Oct-2000	7.85%	6,174.00	49,078.44	55,252.44
01-Oct-2001	7.85%	6,659.00	48,593.78	55,252.78
01-Oct-2002	7.85%	7,181.00	48,071.04	55,252.04
01-Oct-2003	7.85%	7,745.00	47,507.34	55,252.34
01-Oct-2004	7.85%	8,353.00	46,899.35	55,252.35
01-Oct-2005	7.85%	9,009.00	46,243.64	55,252.64
01-Oct-2006	7.85%	9,716.00	45,536.44	55,252.44
01-Oct-2007	7.85%	10,479.00	44,773.73	55,252.73
01-Oct-2008	7.85%	11,301.00	43,951.13	55,252.13
01-Oct-2009	7.85%	12,188.00	43,064.00	55,252.00
01-Oct-2010	7.85%	13,145.00	42,107.24	55,252.24
01-Oct-2011	7.85%	14,177.00	41,075.36	55,252.36
01-Oct-2012	7.85%	15,290.00	39,962.47	55,252.47
01-Oct-2013	7.85%	16,490.00	38,762.20	55,252.20
01-Oct-2014	7.85%	17,785.00	37,467.74	55,252.74
01-Oct-2015	7.85%	19,181.00	36,071.61	55,252.61
01-Oct-2016	7.85%	20,687.00	34,565.91	55,252.91
01-Oct-2017	7.85%	22,311.00	32,941.98	55,252.98
01-Oct-2018	7.85%	24,062.00	31,190.56	55,252.56
01-Oct-2019	7.85%	25,951.00	29,301.70	55,252.70
01-Oct-2020	7.85%	27,988.00	27,264.54	55,252.54
01-Oct-2021	7.85%	30,185.00	25,067.48	55,252.48
01-Oct-2022	7.85%	32,554.00	22,697.96	55,251.96
01-Oct-2023	7.85%	35,110.00	20,142.47	55,252.47
01-Oct-2024	7.85%	37,866.00	17,386.34	55,252.34
01-Oct-2025	7.85%	40,839.00	14,413.86	55,252.86
01-Oct-2026	7.85%	44,044.00	11,207.99	55,251.99
01-Oct-2027	7.85%	47,502.00	7,750.54	55,252.54
01-Oct-2028	7.85%	51,231.00	4,021.63	55,252.63
01-Oct-2029	0.00%	0.00	0.00	0.00
		664,013.00	1,474,384.79	2,138,397.79

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
_____
_____
_____,
the within Bond, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Town with full power of substitution in the premises.

Dated: _____

_____

In the presence of:

_____

[Form of Series 1990 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF MARMET SEWER REVENUE
BOND, SERIES 1990 B

NO. BR-1 **$30,987.00**

KNOW ALL MEN BY THESE PRESENTS: That the Town of Marmet, a municipal corporation, organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of Thirty Thousand Nine Hundred Eighty Seven and NO/100 Dollars ($30,987.00), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated hereby by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

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

This Bond is issued (i) to pay costs of acquisition and construction of certain new additions, improvements and betterments to the existing sewage treatment system, collection and transportation facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the *West Virginia Code* of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on December 5, 1989, effective

December 5, 1989, as supplemented by resolution duly adopted by the Issuer on the 2nd day of January, 1990, (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional Bonds under certain conditions, and such Bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation. This Bond is junior and subordinate to the lien of the Issuer's Sewer Revenue Bonds, Series 1990 A issued simultaneously herewith (the "Series 1990 A Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System subject only to the lien of the Series 1990 A Bonds, monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1990 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any Constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same except from said special fund provided from the Net Revenues, the monies in the Series 1990 B Bonds Reserve Account, and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance year equal to at least one hundred fifteen percent (115%) of the maximum amount required to pay in any year the maximum amount due of principal of and interest on the Bonds, the Series 1990 A Bonds and on all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds, or the Series 1990 A Bonds, provided however, that so long as there exists in the Series 1990 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in any year, and in the reserve accounts established for the Series 1990 A Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1990 A Bonds, in an amount at least equal to the respective requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All monies received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation or to the appurtenant Sinking Fund, and there shall be and hereby is created and granted, a lien upon such monies, until so applied, in favor of the Owner of this Bond, provided that said lien upon monies in the Bond Construction Trust Fund is subordinate to the lien of the Series 1990 A Bonds.

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

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

IN WITNESS WHEREOF, THE TOWN OF MARMET has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated January 3, 1990.

[SEAL]

_____

Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

ONE VALLEY BANK, NATIONAL ASSOCIATION

_____
As Registrar

By: _____
Its Authorized Officer

Dated: January 3, 1990

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[FORM OF ASSIGNMENT]

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

_____

_____

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

Dated: _____

_____

In the presence of:

_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF MARMET SEWER REVENUE
BOND, SERIES 1990 B

NO. BR-1

$30,987.00

KNOW ALL MEN BY THESE PRESENTS: That the Town of Marmet, a municipal corporation, organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of Thirty Thousand Nine Hundred Eighty Seven and NO/100 Dollars ($30,987.00), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated hereby by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

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

This Bond is issued (i) to pay costs of acquisition and construction of certain new additions, improvements and betterments to the existing sewage treatment system, collection and transportation facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the *West Virginia Code* of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on December 5, 1989, effective December 5, 1989, as supplemented by resolution duly adopted by the Issuer on the 2nd day of January, 1990, (collectively called

the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional Bonds under certain conditions, and such Bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation. This Bond is junior and subordinate to the lien of the Issuer's Sewer Revenue Bonds, Series 1990 A issued simultaneously herewith (the "Series 1990 A Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System subject only to the lien of the Series 1990 A Bonds, monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1990 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any Constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same except from said special fund provided from the Net Revenues, the monies in the Series 1990 B Bonds Reserve Account, and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance year equal to at least one hundred fifteen percent (115%) of the maximum amount required to pay in any year the maximum amount due of principal of and interest on the Bonds, the Series 1990 A Bonds and on all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds, or the Series 1990 A Bonds, provided however, that so long as there exists in the Series 1990 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in any year, and in the reserve accounts established for the Series 1990 A Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1990 A Bonds, in an amount at least equal to the respective requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferrable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar") by the

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

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

All monies received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation or to the appurtenant Sinking Fund, and there shall be and hereby is created and granted, a lien upon such monies, until so applied, in favor of the Owner of this Bond, provided that said lien upon monies in the Bond Construction Trust Fund is subordinate to the lien of the Series 1990 A Bonds.

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

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

IN WITNESS WHEREOF, THE TOWN OF MARMET has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated January 3, 1990.

[SEAL]

Curtis W. Stephens
Mayor

ATTEST:

Marie E. Hudnall
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

ONE VALLEY BANK, NATIONAL ASSOCIATION

As Registrar

By: _____
Its Authorized Officer

Dated: January 3, 1990

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

Town of Marmet
Debt Service Schedule
Analysis of Borrowing from Series 1989 Pool
38 Principal Payments
Closing Date: 03-Jan-90

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	815.35
01-Oct-92	815.45
01-Oct-93	815.45
01-Oct-94	815.45
01-Oct-95	815.45
01-Oct-96	815.45
01-Oct-97	815.45
01-Oct-98	815.45
01-Oct-99	815.45
01-Oct-2000	815.45
01-Oct-2001	815.45
01-Oct-2002	815.45
01-Oct-2003	815.45
01-Oct-2004	815.45
01-Oct-2005	815.45
01-Oct-2006	815.45
01-Oct-2007	815.45
01-Oct-2008	815.45
01-Oct-2009	815.45
01-Oct-2010	815.45
01-Oct-2011	815.45
01-Oct-2012	815.45
01-Oct-2013	815.45
01-Oct-2014	815.45
01-Oct-2015	815.45
01-Oct-2016	815.45
01-Oct-2017	815.45
01-Oct-2018	815.45
01-Oct-2019	815.45
01-Oct-2020	815.45
01-Oct-2021	815.45
01-Oct-2022	815.45
01-Oct-2023	815.45
01-Oct-2024	815.45
01-Oct-2025	815.45
01-Oct-2026	815.45
01-Oct-2027	815.45
01-Oct-2028	815.45
01-Oct-2029	0.00
	30,987.00

ASSIGNMENT

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

_____

_____

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

Dated: _____

_____

In the presence of:

_____

LAW OFFICES
HAMB, POFFENBARGER & BAILEY
SUITE 915
CHARLESTON NATIONAL PLAZA
CHARLESTON, WEST VIRGINIA 25301

WILLIAM E. HAMB
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JENNIFER F. BAILEY
ROBERT W. KIEFER, JR.

MAILING ADDRESS
P.O. BOX 1671
CHARLESTON, WEST VIRGINIA 25326-1671
TELEPHONE: (304) 343-4128
TELECOPIER: (304) 344-1974

January 3, 1990

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

Re: Town of Marmet
Sewer Revenue Bonds
Series 1990 A

Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Marmet (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of $664,013.00 Sewer Revenue Bonds, Series 1990 A, dated the date hereof (the "Local Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a Loan Agreement, dated January 3, 1990, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority"), and the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning April 1, 1990, at the rate of 7.85 percent per annum, and with principal installments payable on October 1 in each of the years 1991 through 2028, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) permanently financing a

portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) paying costs of issuance.

We have also examined the applicable provisions of the Local Statute, the Bond Ordinance duly enacted by the Governmental Agency on December 5, 1989, effective December 5, 1989, as supplemented by a Supplemental Resolution adopted January 2, 1990, (collectively, the "Local Act"), pursuant to which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions, and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

(1) The Issuer is a duly organized and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project, to operate and maintain the System referred to in the Loan Agreement, and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

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

(3) The Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Local Bonds have been duly and effectively enacted and adopted by the

Issuer and constitute valid and binding Obligations of the Issuer enforceable upon the Issuer. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

(4) The Local Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special Obligations of the Issuer, payable from the net revenues of the System referred to in the Local Act and secured by a lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act.

(5) The interest on the Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted with respect to corporations, (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income and adjusted current earnings for taxable years ending after December 31, 1989, for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all covenants and representations relating to federal income tax matters set forth in the Ordinance. Failure to comply with such covenants and representations could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

(6) The Local Bonds and the interest thereon are, under the Local Statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

It is to be understood that the rights of the owners of the Local Bonds and the enforceability of the Local Bonds and the Local Act may be subject to bankruptcy, insolvency,

reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent Constitutionally applicable, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

HAMB, POFFENBARGER & BAILEY

Hamb, Poffenbarger & Bailey

LAW OFFICES
HAMB, POFFENBARGER & BAILEY
SUITE 915
CHARLESTON NATIONAL PLAZA
CHARLESTON, WEST VIRGINIA 25301

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TELEPHONE: (304) 343-4128
TELECOPIER: (304) 344-1974

January 3, 1990

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

Re: Town of Marmet
Sewer Revenue Bonds
Series 1990 A

Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Marmet (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of $664,013.00 Sewer Revenue Bonds, Series 1990 A, dated the date hereof (the "Local Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a Loan Agreement, dated January 3, 1990, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority"), and the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning April 1, 1990, at the rate of 7.85 percent per annum, and with principal installments payable on October 1 in each of the years 1991 through 2028, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) permanently financing a

portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) paying costs of issuance.

We have also examined the applicable provisions of the Local Statute, the Bond Ordinance duly enacted by the Governmental Agency on December 5, 1989, effective December 5, 1989, as supplemented by a Supplemental Resolution adopted January 2, 1990, (collectively, the "Local Act"), pursuant to which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions, and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

(1) The Issuer is a duly organized and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project, to operate and maintain the System referred to in the Loan Agreement, and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

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

(3) The Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Local Bonds have been duly and effectively enacted and adopted by the

Issuer and constitute valid and binding Obligations of the Issuer enforceable upon the Issuer. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

(4) The Local Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special Obligations of the Issuer, payable from the net revenues of the System referred to in the Local Act and secured by a lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act.

(5) The interest on the Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted with respect to corporations, (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income and adjusted current earnings for taxable years ending after December 31, 1989, for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all covenants and representations relating to federal income tax matters set forth in the Ordinance. Failure to comply with such covenants and representations could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

(6) The Local Bonds and the interest thereon are, under the Local Statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

It is to be understood that the rights of the owners of the Local Bonds and the enforceability of the Local Bonds and the Local Act may be subject to bankruptcy, insolvency,

reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent Constitutionally applicable, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

HAMB, POFFENBARGER & BAILEY

Hamb, Poffenbarger & Bailey

LAW OFFICES
HAMB, POFFENBARGER & BAILEY
SUITE 915
CHARLESTON NATIONAL PLAZA
CHARLESTON, WEST VIRGINIA 25301

WILLIAM E. HAMB
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MAILING ADDRESS
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TELEPHONE: (304) 343-4128
TELECOPIER: (304) 344-1974

January 3, 1990

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

Re: Town of Marmet
Sewer Revenue Bonds
Series 1990 B

Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Marmet (the "Issuer"), a municipal corporation and political subdivision, organized and existing under the laws of the State of West Virginia, of $30,987.00 Sewer Revenue Bonds, Series 1990 B, dated the date hereof (the "Supplemental Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a supplemental loan agreement, dated January 3, 1990, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority"), and the Supplemental Bonds, which are to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are originally issued in the form of one Bond registered as to principal to the Authority without interest thereon, with the first principal installment of $815.35 payable on October 1, 1991, and additional principal installments of $815.45 on the first day of each month in each of the years 1992 through 2028, inclusive, all as set forth in "Schedule X", attached to the Supplemental Loan Agreement and incorporated in and made a part of the Supplemental Bonds.

The Supplemental Loan Agreement is supplemental to a Loan Agreement also dated January 3, 1990, between the Issuer and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and

security for payment to the Bonds issued pursuant to the Loan Agreement and designated "Sewer Revenue Bonds, Series 1990 A" (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

The Supplemental Bonds are issued, together with the Local Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including, particularly, Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) permanently financing a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) paying costs of issuance.

We have also examined the applicable provisions of the Local Statute, the Bond Ordinance duly enacted by the Governmental Agency on December 5, 1989, effective December 5, 1989, as supplemented by a Supplemental Resolution adopted January 2, 1990, (collectively, the "Local Act"), pursuant to which Local Statute and Local Act the Supplemental Bonds are authorized and issued, and the Supplemental Loan Agreement that has been undertaken. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

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

1. The Issuer is a duly organized and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project, to operate and maintain the System referred to in the Supplemental Loan Agreement, and to issue and sell the Supplemental Bonds, all under the Local Statute and other applicable provisions of law. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement.

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

3. The Local Act and all other necessary Ordinances and Resolutions in connection with the issuance and sale of the Supplemental Bonds have been duly and effectively enacted and adopted by the Issuer and constitute valid and binding Obligations of the Issuer enforceable upon the Issuer.

4. The Supplemental Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special Obligations of the Issuer, payable from the net revenues of the System referred to in the Local Act and secured by a second lien on and pledge of the net revenues of said System, junior and subordinate only to the lien created for the Local Bonds, all in accordance with the terms of the Local Bonds and the Local Act.

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

6. The Supplemental Bonds are, under the Local Statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

It is to be understood that the rights of the owners of the Supplemental Bonds and the enforceability of the Supplemental Bonds and the Local Act may be subject to 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.

LAW OFFICES
HAMB, POFFENBARGER & BAILEY
SUITE 915
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CHARLESTON, WEST VIRGINIA 25301

WILLIAM E. HAMB
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CHARLESTON, WEST VIRGINIA 25326-1671
TELEPHONE: (304) 343-4128
TELECOPIER: (304) 344-1974

January 3, 1990

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

Re: Town of Marmet
Sewer Revenue Bonds
Series 1990 B

Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Marmet (the "Issuer"), a municipal corporation and political subdivision, organized and existing under the laws of the State of West Virginia, of $30,987.00 Sewer Revenue Bonds, Series 1990 B, dated the date hereof (the "Supplemental Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a supplemental loan agreement, dated January 3, 1990, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority"), and the Supplemental Bonds, which are to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are originally issued in the form of one Bond registered as to principal to the Authority without interest thereon, with the first principal installment of $815.35 payable on October 1, 1991, and additional principal installments of $815.45 on the first day of each month in each of the years 1992 through 2028, inclusive, all as set forth in "Schedule X", attached to the Supplemental Loan Agreement and incorporated in and made a part of the Supplemental Bonds.

The Supplemental Loan Agreement is supplemental to a Loan Agreement also dated January 3, 1990, between the Issuer and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and

security for payment to the Bonds issued pursuant to the Loan Agreement and designated "Sewer Revenue Bonds, Series 1990 A" (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

The Supplemental Bonds are issued, together with the Local Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including, particularly, Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), for the purposes of (i) permanently financing a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) paying costs of issuance.

We have also examined the applicable provisions of the Local Statute, the Bond Ordinance duly enacted by the Governmental Agency on December 5, 1989, effective December 5, 1989, as supplemented by a Supplemental Resolution adopted January 2, 1990, (collectively, the "Local Act"), pursuant to which Local Statute and Local Act the Supplemental Bonds are authorized and issued, and the Supplemental Loan Agreement that has been undertaken. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

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

1. The Issuer is a duly organized and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct and acquire the Project, to operate and maintain the System referred to in the Supplemental Loan Agreement, and to issue and sell the Supplemental Bonds, all under the Local Statute and other applicable provisions of law. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement.

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

3. The Local Act and all other necessary Ordinances and Resolutions in connection with the issuance and sale of the Supplemental Bonds have been duly and effectively enacted and adopted by the Issuer and constitute valid and binding Obligations of the Issuer enforceable upon the Issuer.

4. The Supplemental Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special Obligations of the Issuer, payable from the net revenues of the System referred to in the Local Act and secured by a second lien on and pledge of the net revenues of said System, junior and subordinate only to the lien created for the Local Bonds, all in accordance with the terms of the Local Bonds and the Local Act.

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

6. The Supplemental Bonds are, under the Local Statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

It is to be understood that the rights of the owners of the Supplemental Bonds and the enforceability of the Supplemental Bonds and the Local Act may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent Constitutionally applicable, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

HAMB, POFFENBARGER & BAILEY

Hamb, Poffenbarger & Bailey

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

Very truly yours,

HAMB, POFFENBARGER & BAILEY

Hamb, Poffenbarger & Bailey

LAW OFFICES
HAMB, POFFENBARGER & BAILEY
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CHARLESTON, WEST VIRGINIA 25301

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MAILING ADDRESS
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CHARLESTON, WEST VIRGINIA 25326-1671

TELEPHONE: (304) 343-4128
TELECOPIER: (304) 344-1974

January 2, 1990

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

Re: Town of Marmet
Sewer Revenue Bonds

Gentlemen:

We have examined a transcript of proceedings relating to the issuance of $664,013.00 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A (the "Local Bonds"), of the Town of Marmet (the "Issuer"), and a Certificate as to Arbitrage executed by the Mayor of the Issuer on this date.

Based upon such Certificate as to Arbitrage, we are of the opinion that the facts, estimates and circumstances set forth in the Certificate as to Arbitrage are sufficient to satisfy the requirements of Section 148 of the Internal Revenue Code of 1986 (the "Code"), to support the conclusion that the Local Bonds are not "arbitrage bonds" as therein defined. No matters have come to our attention which make unreasonable or incorrect such statements, expectations or representations.

In the Certificate as to Arbitrage, the Issuer represented that (i) the Issuer has general taxing powers to finance operations of or facilities of the nature of the Project; (ii) the Issuer and all subordinate entities reasonably expected to issue less than $5,000,000.00 aggregate principal amount of tax-exempt Bonds during the calendar year 1990, being the calendar year in which the Bonds were issued; and (iii) the Issuer has issued no other tax-exempt Bonds during such calendar year except for the Series 1990 B Bonds, which bear no interest.

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

opinion, based upon such Certificate of Arbitrage, that proceeds of the Bonds are not subject to the arbitrage rebate requirements as set forth in Section 148(f) of the Code.

We express no opinion herein as to the taxability of the interest on these Local Bonds in the event of the failure to comply with the other requirements and restrictions of Section 148 of the Code, and any regulations promulgated thereunder.

Very truly yours,

Hamb, Poffenbarger & Bailey

HAMB, POFFENBARGER & BAILEY

LOUDERBACK & LOUDERBACK
ATTORNEYS AT LAW

TELEPHONE 343-8956
AREA CODE 304

408 TERMINAL BUILDING
NO. 8 CAPITOL STREET
CHARLESTON, W. VA. 25301

January 3, 1990

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

Hamb, Poffenbarger & Bailey
Post Office Box 1671
Charleston, West Virginia 25326

Re: Town of Marmet
Sewer Revenue Bonds
Series 1990 A and
Series 1990 B

Gentlemen:

I am counsel to the Town of Marmet, Kanawha County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Hamb, Poffenbarger & Bailey, as bond counsel, a Loan Agreement and Supplemental Loan Agreement, both dated January 3, 1990, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"), the Local Act (as defined therein) and other documents relating to the above-captioned Bonds of the Issuer. Terms used in said opinions, Local Act and Loan Agreement and not otherwise defined herein, have the same meanings herein.

I am of the opinion that:

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

2. The members of the Council of the Issuer have been duly and properly elected, have taken the requisite oaths, and are authorized to act on behalf of the Issuer.

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

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

5. The Issuer has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, construction of the Project, operation of the System and imposition of rates and charges, including, without limitation, the receipt of all requisite orders and approval from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Public Service Commission has issued its Final Order dated December 26, 1989, granting the Issuer a Certificate of Convenience and Necessity. The staff of the Public Service Commission has represented that it will not appeal the Final Order. The Issuer will not appeal said Final Order. The Rate Ordinance adopted November 8, 1989, was not appealed and is now not subject to appeal.

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

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

Very truly yours,

Robin R. Louderback

TOWN OF MARMET

Sewer Revenue Bonds
Series 1990 A and Series 1990 B

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. GRANTS
11. LOAN AGREEMENT
12. RATES AND PSC ORDER
13. SIGNATURES AND DELIVERY
14. BOND PROCEEDS
15. PUBLICATION AND PUBLIC HEARING ON BOND AND NOTES ORDINANCE
16. PRIVATE BUSINESS USE LIMITATION
17. SPECIMEN BONDS

We, the undersigned MAYOR and undersigned RECORDER of the Town of Marmet in Kanawha County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the $695,000.00 aggregate principal amount of the Town of Marmet Sewer Revenue Bonds, Series 1990 A and Series 1990 B (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined, shall have the same meaning as in the Bond and Notes Ordinance of the Issuer enacted December 5, 1989, effective December 5, 1989, and a Supplemental Resolution adopted January 2, 1990, (collectively, the "Local Act").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner, the issuance, sale or delivery of the Bonds, construction of the Project, operation of the System, receipt of the Grant Receipts or the Gross Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge of the Net Revenues or

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

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals and certificates required by law for construction of the Project, operation of the System, and issuance of the Bonds have been obtained and remain in full force and effect, and competitive bids for construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the 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 between the Issuer and the Authority. There are no outstanding debt obligations of the Issuer, or obligations for which full and irrevocable provision for payment has not been made, which are secured by revenues or assets of the System.

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

Charter of the Town of Marmet

Ordinance Establishing Sanitary Board

Bond and Notes Ordinance

Supplemental Resolution

Rate Ordinance

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

Affidavit of Publication of Rate Ordinance and Notice of Public Hearing

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

Loan Agreement

Public Service Commission Order Entered December 26, 1989

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "Town of Marmet", and it is a municipal corporation in Kanawha County and presently existing under the laws of and a political subdivision of the State of West Virginia. The Governing Body of the Issuer is its Council consisting of the Mayor and council members, whose names and dates of commencement and termination of current terms of office are as follows:

Curtis W. Sutphin	7/1/89 through 6/30/91
Marie E. Hudnall	7/1/89 through 6/30/91
Wallace Clark	7/1/89 through 6/30/91
Earl Campbell	7/1/89 through 6/30/91
Russell Hansford	7/1/89 through 6/30/91
William E. Tardy	7/1/89 through 6/30/91
Robert Wells	7/1/89 through 6/30/91

The duly appointed and acting Recorder is Marie E. Hudnall. The duly appointed and acting counsel to the Issuer is Robin Louderback, Esquire, of Charleston, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability, property damage insurance, and builder's risk insurance, where applicable, in accordance with the Local Act. The Issuer is presently unable to obtain flood and/or business interruption insurance at a reasonable cost.

10. GRANTS: As of the date hereof, the EPA Grant in the amount of $1,202,990.00 is committed and in force and effect. The State of West Virginia has granted a Small Cities Block Grant in the amount of $680,000.00; the Kanawha County Commission has granted the sum of $100,000.00 to the Issuer. Said Grants are in force and effect.

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

12. RATES AND PSC ORDER: The Issuer has duly enacted an Ordinance on November 8, 1989, setting rates and charges for the services of the System. Such Ordinance is presently in full force and effect, the period for appeal of such Ordinance has expired, and there has been no appeal thereof. The Issuer received a Final Order in Case No. 89-727-S-CN from the Public Service Commission of West Virginia on December 26, 1989. The Issuer has received a letter from the Commission staff indicating that it will not appeal the Order. The Issuer will not appeal or request a modification of said Final Order.

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

14. BOND PROCEEDS: On the date hereof, the Issuer received from the Authority, the agreed purchase price of the Bonds, being $695,000.00 (100% par value), there being no interest accrued thereon.

15. PUBLICATION AND PUBLIC HEARING ON BOND AND NOTES ORDINANCE: Upon adoption of the Bond and Notes Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for two (2) successive weeks, with not less than six (6) full days between each publication, the first such publication occurring not less than ten (10) days

before the date stated below for the public hearing, in a newspaper of general circulation in the Town of Marmet, together with a notice to all persons concerned, stating that the Bond and Notes Ordinance had been adopted, and that the Issuer contemplated the issuance of the Bonds described in such Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on December 5, 1989, at 6:00 p.m., in the Council Chambers of Marmet City Hall and present protests, and stating that a certified copy of the Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Recorder. At such hearing, all objections and suggestions were heard by the Governing Body and the Bond and Notes Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

16. PRIVATE BUSINESS USE LIMITATION: The Issuer shall take all actions necessary to assure that (i) not in excess of ten percent (10%) of the net proceeds of the Bonds are used directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, (excluding, however, use by state or local government unit and use as a general number of the public) ("Private Business Use") if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payment in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; (ii) and that, in the event that both (a) in excess of five percent (5%) of the net proceeds of the Bonds are used for a Private Business Use, and (b) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly secured by an interest in property used or to be used for said Private Business Use or in payment in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project.

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

WITNESS our signatures and the Official Seal of the Town of Marmet on this 3rd day of January, 1990.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Curtis W. Sutphin	Mayor
Marie E. Hudnall	Recorder
Robin L. Vanderbach	Counsel to Issuer

TOWN OF MARMET

Sewer Revenue Bonds
Series 1990 A and Series 1990 B

CERTIFICATE AS TO ARBITRAGE

I, Curtis Sutphin, Mayor of the Town of Marmet, in Kanawha County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $664,013.00 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A, of the Issuer, dated January 3, 1990 (the "Local Bonds"), hereby certify as follows:

1. This Certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986 and regulations promulgated thereunder or under predecessors thereto (the "Code"). I am one of the officers of the Issuer charged with the responsibility of issuing the Local Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this Certificate on behalf of the Issuer.

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

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

4. This Certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on January 3, 1990, the date which the Local Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Ordinance pursuant to which the Local Bonds are issued, the Issuer has covenanted to make no use of the proceeds of the Local Bonds which would cause the Local Bonds to be "arbitrage bonds" within the meaning of the Code.

6. The Local Bonds were sold on January 3, 1990, to the West Virginia Water Development Authority (the "Authority") for an aggregate purchase price of $664,013.00 (100% of par), and the

Issuer's Series 1990 B Bonds, which are not interest bearing, were sold to the Authority for the aggregate purchase price of $30,987.00 (100% of par).

7. The Local Bonds are being delivered simultaneously with the delivery of this Certificate and are issued for the purposes of paying a portion of the costs of acquisition and construction of certain additional sewerage facilities (the "Project"), and paying costs of issuance thereof.

8. The total cost of the Project is estimated at $2,678,080.00. Except for the proceeds of the Local Bonds, the Series 1990 B Bonds and the Grants, no other funds of the Issuer will be available to meet costs of the Project, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

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

(a) Revenue Fund;

(b) Renewal and Replacement Fund;

(c) Bond Construction Trust Fund;

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

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

10. Pursuant to Article VI of the Local Act, the proceeds of the Local Bonds (and the Series 1990 B Bonds described in the Local Act, which bear no interest) will be deposited as follows:

(a) Local Bonds proceeds in the amount of $-0- will be deposited in the Series 1990 A Bonds Sinking Fund to pay interest on the Series 1990 A Bonds for a period of approximately eighteen (18) months.

(b) Local Bonds proceeds in the amount of $-0- will be deposited in the Series 1990 A Bonds Reserve Account and Series 1990 B Bonds proceeds in the amount of $-0- will be deposited in the Series 1990 B Bonds Reserve Account, which sums are equal to the respective maximum annual debt services on the Local Bonds and Series 1990 B Bonds, and which sums are less than ten percent (10%) of the several and combined net proceeds thereof.

(c) The balance of the proceeds of the Local Bonds and the Series 1990 B Bonds will be deposited in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project, including approximately $15,000.00 of costs of issuance of the Local Bonds and related costs.

11. All monies in the Series 1990 A Bonds Sinking Fund (with the exception of investment earnings thereon) will be held for the payment of the interest to accrue on the Local Bonds on or prior to the maturity thereof. Monies held in the Series 1990 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Local Bonds and will not be available to meet costs of construction of the Project. All investment earnings on monies in the Series 1990 Bonds Sinking Fund and Series 1990 A Bonds Reserve Account will be deposited, not less than once each year in the Revenue Fund, and such amounts will be applied in full, first to the next ensuing interest payment, if any, due on the Series 1990 A Bonds, and then to the next ensuing principal payment due thereon.

12. Except for the Series 1990 A Bonds Sinking Fund, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Local Bonds or which are pledged as collateral for the Local Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Local Bonds, if the Issuer encounters financial difficulties.

13. The Governmental Agency expects to enter into contracts within six months of the date thereof for the construction of the Project, and the amount to be expended pursuant to such contract(s) exceeds the lesser of two and one-half percent of the estimated Project cost financed with the proceeds from the sale of the Local Bonds or $100,000.00.

Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years of December 27, 1989. The Governmental Agency will expend the net proceeds of the Local Bonds for the Project within the following periods commencing on the date of issuance of the Local Bonds (but no later than December 27, 1990):

10 percent within 6 months

45 percent within 1 year

75 percent within 18 months

100 percent within 2 years

(except for a reasonable retainage not exceeding five percent, which will be spent within three years).

The Governmental Agency shall, within 30 days after the end of each six-month period thereafter until all the proceeds of the Local Bonds have been expended for the Project, certify to the Authority the amount of expenditure from Local Bond proceeds as of the end of such period, and to the extent that expenditures do not meet the required levels, will remit an amount to the authority equal to 1.5 percent of such shortfall.

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

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

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

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

The Governmental Agency shall file Form 8038-G or 8038-GC in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

No more than ten percent of the proceeds of the Local Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than five percent of the proceeds of Local Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.

The original proceeds of the Local Bonds will not exceed the amount necessary for the purposes of the issue.

The Governmental Agency has general taxing powers to finance operations of or facilities of the nature of the system, and the Governmental Agency and all subordinate entities reasonably expect to issue less than $5,000,000.00 of tax-exempt obligations during the calendar year in which the Local Bonds are to be issued and has issued no other tax-exempt obligations during the current calendar year (or if the Governmental Agency has issued tax-exempt obligations, the total of all Bonds issued will be less than the $5,000,000.00).

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

The Governmental Agency shall not permit, at any time or times, any of the proceeds of the Local Bonds or any other funds of the Governmental Agency to be used directly or

indirectly in a manner which would result in the exclusion of the Local Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Local Bonds as "private activity bonds" within the meaning of the Code. The Governmental Agency will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Local Bonds is excludable from gross income for federal income tax purposes.

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

The Governmental Agency will rebate to the United States the amount required by the Code and to take all steps necessary to make such rebates. In the event the Governmental Agency fails to make such rebates as required, the Governmental Agency shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Local Bonds.

The Governmental Agency has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the local Bonds.

The Governmental Agency shall comply with the yield restriction on Local Bond proceeds as set forth in the Code.

The Governmental Agency has either (a) funded the Local Reserve Fund at the maximum amount of principal and interest which will mature and become due on the Local Bonds in the then current or any succeeding year with the proceeds of the Local Bonds, or (b) created the Local Reserve Fund which will be funded with equal payments made on a monthly basis over a ten-year period until such Local Reserve Fund holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Local Bonds in the then current or any succeeding year. Monies in the Local Reserve Fund and the Local Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Local Bonds and will not be available to meet the cost of the Project.

The Governmental Agency will spend the funds in the Local Sinking Fund (other than funds in the Reserve Account) within a 13-month period beginning on the date of receipt and any monies received from the investment of amounts held in the Local Sinking Fund (other than in the Reserve Account therein) will be spent within a one-year period beginning the date of receipt.

The Governmental Agency shall submit to the Issuer, within fifteen (15) days following the end of the Governmental Agency's bond year, a certified copy of its rebate calculation,

or if the Governmental Agency qualifies for the small governmental issuer exception to rebate, then the Governmental Agency shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Local Bonds subject to rebate.

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

15. With the exception of the amounts deposited in the Series 1990 A Bonds Sinking Fund for payment of interest on the Local Bonds and in the Series 1990 A Bonds Reserve Account, all of the proceeds of the Local Bonds will be expended on the Project by January 1, 1990.

16. Any money deposited in the Series 1990 A Bonds Sinking Fund for payment of the principal of or interest on the Local Bonds (other than the Series 1990 A Bonds Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt.

17. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than $5,000,000.00 aggregate principal amount of tax-exempt bonds during the calendar year in which the Local Bonds are to be issued and the Issuer has issued no other tax exempt bond during such calendar year except for the Series 1990 B Bonds, which bear no interest.

18. The Issuer will take all further actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

19. The original proceeds of the Local Bonds will not exceed the amount necessary for the purposes of the issue.

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

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

Curtis W. Sampson

Mayor, Town of Marmet

Ghosh Engineers Inc. CONSULTING ENGINEERS

TOWN OF MARMET

Sewer Revenue Bonds
Series 1990 A and Series 1990 B

ENGINEER'S CERTIFICATE

I, Paul Ghosh, Registered Professional Engineer, West Virginia License No. 7806 of Ghosh Engineering, Inc., consulting engineers, of Charleston, West Virginia, hereby certifies as follows:

(1) My firm is engineer for the construction and acquisition of certain municipal sewerage facilities (the "Project") for the Town of Marmet in Kanawha County, West Virginia (the "Issuer"). Certain costs of such construction and acquisition are being financed in part by proceeds of the above-captioned bonds (the "Bonds") and out of certain grant proceeds from the United States Environmental Protection Agency (EPA) and certain other grants.

(2) The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by Ghosh Engineering, Inc., or amendments thereto and as described in the Application submitted to the WDA and approved by all necessary governmental bodies and is situated wholly or chiefly within the boundaries of the Town of Marmet; (ii) the Project is adequate for the purpose for which it was dsigned and all necessary governmental approvals for the construction thereof have been obtained; (iii) my firm has examined and reviewed all plans, specifications, bid documents and construction contracts relating to the Project, and all bids for construction of the Project have been received in an amount and are otherwise compatible with the plan of financing described in said Application, and my firm will ascertain that all contractors have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy and completeness prior to commencement of construction of the Project; (iv) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States of America necessary

511 CENTRAL AVENUE • CHARLESTON, WV 25302 • (304) - 343-5300

for construction of the Project; (v) the construction and funding for the Project should proceed to a successful conclusion within the time schedules proposed; (vi) the useful life of the facilities constituting the Project is not less than forty (40) years; (vii) the rates and charges for the sewerage system of the Issuer comply with the applicable provisions of the Loan Agreement and Supplemental Loan Agreement by and between WDA and the Issuer; and (viii) the net proceeds of the Bonds, together with the proceeds of grants irrevocably committed therefore and other monies on deposit or to be simultaneously deposited and irrevocably committed therefore, will be sufficient to pay the costs of acquisition and construction of the Project as set forth in the application submitted to WDA on the date of the Loan Agreement.

WITNESS my signature on the 3rd day of January, 1990.

GHOSH ENGINEERING, INC.

Paul Ghosh

POLAK GHOSH REGISTERED 7806 STATE OF WEST VIRGINIA PROFESSIONAL ENGINEER

Kenneth E. Plants
PUBLIC ACCOUNTANT
801 OAKBRIDGE DRIVE
HURRICANE, WV 25526

304/757-7110

January 3, 1990

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

Gentlemen:

Based upon the rates and charges set forth in an ordinance of the Town of Marmet enacted November 8, 1989, and projected operation and maintenance expenses, and anticipated customer usage, as furnished to us by Ghosh Engineering, Inc., Consulting Engineers, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the Town of Marmet, will pay all repair, operation and maintenance expenses, and leave a balance each year to equal at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series A and Series B, to be issued to the West Virginia Water Development Authority, and all other obligations secured or payable from the revenues of the System prior to, or on a parity with such Bonds.

Very truly yours,

Kenneth E Plants P.a.

DIVISION I

OFFICIAL CHARTER

TOWN OF MARMET

IN THE MATTER OF THE APPLICATION OF ARCHIE FERRELL, W. E. WILSON, W. A. PHILLIPS AND HOWARD NEAL FOR THE INCORPORATION OF THE TOWN OF MARMET.

This day came Archie Ferrell, W. E. Wilson, W. A. Phillips and Howard Neal, and tendered and asked leave to file their application, duly verified, for the incorporation of the territory hereinafter described into The Town of Marmet; upon consideration whereof the Court doth order that said application be and it is hereby filed.

And it appearing from said application, and from the survey, map, census, notice of this application and of the election to be held on March 12th, 1921, by the qualified voters residing within the territory proposed to be incorporated into The Town of Marmet upon the question of such incorporation, and from the certificates of the election officers who held said election, all of which are duly verified and filed with said application, that all of the provisions of Chapter 47 of the Code of West Virginia, have been complied with for the incorporation of the following described territory into The Town of Marmet, to-wit: That certain boundary of land situate in Loudon District, Kanawha County, West Virginia, BEGINNING at a rock corner on edge of Kanawha River 667 feet below Lock No. 5, then up the river with the meanders

thereof to a stake on the Bradford Line 761 feet above the mouth of Lens Creek, thence S. 72° 30 minutes, W. 3960 feet to a stake on the hill side facing Lens Creek, thence N. 57° W. 8170 feet crossing Lens Creek, Curley Hollow and Brownstown Hollow to a stake on a ridge north of the left fork of Rush Creek, thence N. 72° 30 minutes, E. 3960 feet to the beginning, containing 660 acres, more or less; and that at said election, which was held on the 12th day of March, 1921, a majority of all the qualified voters residing within said territory voted in favor of such incorporation, all of which the Court doth accordingly decree; and it further appearing to the Court that it would be advantageous to the persons living within said territory to incorporate said territory into said Town; the Court doth therefore grant the prayer of said application, and doth incorporate said territory into The Town of Harmet, and the Court doth hereby authorize and direct the Clerk of this Court to issue a certificate of the incorporation of the aforesaid territory into The Town of Harmet pursuant to the provisions of Section 9 of said Chapter 47 of the Code of West Virginia, in the following form, to-wit:

"A certificate of Archie Ferrell, F. E. Wilson, W. A. Phillips and Howard Neal, under oath was this day filed, showing that a majority of all the qualified voters residing in the following boundary, to-wit:

"That certain boundary of land situate in Loudon District, Kanawha County, West Virginia, Beginning at a rock corner on edge of Kanawha River 667 feet below Lock No. 5, then up the river with the meanders thereof to a stake on the Bradford Line 761 feet above the mouth of Lens Creek, thence S. 72° 30 minutes, W. 3960 feet to a stake on the hill side facing Lens Creek, thence N. 57° W. 8170 feet crossing Lens Creek, Curly Hollow and Brownstown Hollow to a stake on a ridge north of the left fork of Rush Creek, thence N. 72° 30 minutes, E. 3960 feet to the beginning, containing 660 acres, more or less; have been given in due form of law in favor of the incorporation of The Town of Marmet, in Loudon District, County of Kanawha, and State of West Virginia, bounded as herein set forth; And it appearing to the satisfaction of the Court that all of the provisions of Chapter 47 of the Code of West Virginia have been complied with by the applicants for said incorporation; and said Town is duly authorized within the corporate limits aforesaid to exercise all the corporate powers conferred by the said chapter from and after the date of this Certificate.

_____CLERK."

And in accordance with the provisions of Section 10 of said Chapter 47 of the Code, the Court doth hereby appoint

J. C. Laydon, L. L. Beury, Burley Miller, three legal voters residing within the said territory, who shall act as commissioners of election at the first election of officers of said Town.

STATE OF WEST VIRGINIA,

At a Circuit Court for Kanawha County held at the Court House thereof on the 16th day of March, 1921.)

CITY OF MARMET

MARMET, W. VA

OATH OF OFFICE

I, Robert L. Wells do solemnly swear that I will support the Constitution of the United States of America, The Constitution of the State of West Virginia and I will faithfully discharge the duties of office of Councilman of the City of Marmet, West Virginia to the best of my skill and judgement.

Robert L. Wells

Sworn to and subscribed to before me this 30 day of June, 1989

Marie E. Nuckolls

Notary Rublic

CITY OF MARMET
MARMET, W. VA

OATH OF OFFICE

I, William E. Tardy do solemnly swear that I will support the Constitution of the United States of America, The Constitution of the State of West Virginia and I will faithfully discharge the duties of office of Councilman of the City of Marmet, West Virginia to the best of my skill and judgement.

William E. Tardy

Sworn to and subscribed to before me this 22nd day of June, 1989

Patrick Casey Judge
~~Notary Public~~
of Circuit Court for 13th
Judicial Circuit of West Virginia

CITY OF MARMET

MARMET, W. VA

OATH OF OFFICE

I, Russell L. Stanford do solemnly swear that I will support the Constitution of the United States of America, The Constitution of the State of West Virginia and I will faithfully discharge the duties of office of Councilman of the City of Marmet, West Virginia to the best of my skill and judgement.

Russell L. Stanford

Sworn to and subscribed to before me this 22nd day of June, 1989

Patrick Casey, Judge of
~~Notary Public~~
13th Judicial Circuit of
West Virginia

CITY OF MARMET

MARMET, W. VA

OATH OF OFFICE

I, Earl R. Campbell do solemnly swear that I will support the Constitution of the United States of America, The Constitution of the State of West Virginia and I will faithfully discharge the duties of office of Councilman of the City of Marmet, West Virginia to the best of my skill and judgement.

Earl R. Campbell

Sworn to and subscribed to before me this 30 day of June, 1989

Marie E. Nadnac

Notary Rublic

CITY OF MARMET
MARMET, W. VA

OATH OF OFFICE

I, Wallace Clark do solemnly swear that I will support the Constitution of the United States of America, The Constitution of the State of West Virginia and I will faithfully discharge the duties of office of Councilman of the City of Marmet, West Virginia to the best of my skill and judgement.

Wallace Clark Jr.

Sworn to and subscribed to before me this 30th day of June, 1989

Marie E. Hudnall
Notary Rublic

CITY OF MARMET

MARMET, W. VA

OATH OF OFFICE

I, Marie E. Hudnall do solemnly swear that I will support the Constitution of the United States of America, The Constitution of the State of West Virginia and I will faithfully discharge the duties of office of Recorder-Treasurer of the City of Marmet, West Virginia to the best of my skill and judgement.

Marie E. Hudnall

Sworn to and subscribed to before me this 22nd day of June, 1989

Patrick Casey
~~Notary Public~~ Circuit Judge of the 13th Judicial Circuit of West Virginia

CITY OF MARMET
MARMET, W. VA

OATH OF OFFICE

I, Curtis W. Sutphin do solemnly swear that I will support the Constitution of the United States of America, The Constitution of the State of West Virginia and I will faithfully discharge the duties of office of MAYOR of the City of Marmet, West Virginia to the best of my skill and judgement.

Curtis W. Sutphin

Sworn to and subscribed to before me this 22nd day of June, 1989

Patrick Casey
~~Notary Public~~ Circuit Judge of 13th Judicial Circuit of West Virginia.

Adopted Feb 1, 1960

AN ORDINANCE CREATING A SANITARY BOARD TO ACQUIRE, CONSTRUCT, EQUIP, OPERATE AND MAINTAIN A SEWAGE COLLECTION AND DISPOSAL SYSTEM OR SYSTEMS WITHIN AND/OR WITHOUT THE CORPORATE LIMITS OF THE TOWN OF MARMET, WEST VIRGINIA, AND TO INVEST IN SUCH BOARD THE CUSTODY, ADMINISTRATION, OPERATION, MAINTENANCE AND CONTROL OF SUCH SYSTEM OR SYSTEMS AS PROVIDED IN CHAPTER TWENTY-FIVE, ACTS OF THE LEGISLATURE, FIRST EXTRAORDINARY SESSION, ONE THOUSAND NINE HUNDRED THIRTY-THREE, AS AMENDED

WHEREAS, it is the desire of the Town of Marmet, West Virginia to own, acquire, construct, equip, operate and maintain within and/or without its corporate boundaries, a sewage collection system and/or a sewage treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations, and all other appurtenances necessary or useful and convenient for the collection and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil, and industrial waste of the Town of Marmet, West Virginia, and to acquire, construct, equip, operate and maintain such system or systems as provided in Chapter twenty-five, Acts of the Legislature, first extraordinary session, one thousand, nine hundred thirty-three, as amended.

IT IS THEREFORE ORDERED AND ORDAINED BY THE COMMON COUNCIL OF THE TOWN OF MARMET, WEST VIRGINIA:

Section 1. That there is hereby created The Sanitary Board of the Town of Marmet, West Virginia, which shall be composed of the Mayor of the Town of Marmet, West Virginia and two persons appointed by the Council, one of whom, during the construction period, must be a registered professional engineer. The engineer

member of the board need not be a resident of said municipality. After the construction of the plant has been completed, the engineer member may be succeeded by a person not an engineer. Said appointees shall originally be appointed for terms of two and three years, respectively, and upon the expiration of each such term and each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment.

Section 2. That no officer or employee of the Town of Marmet, West Virginia, whether holding a paid or unpaid office, shall be eligible to appointment on said sanitary board until at least one year after the expiration of the term of his public office.

Section 3. That the Mayor shall act as Chairman of the Sanitary Board, which shall elect a Vice Chairman from its members and shall designate a Secretary and Treasurer (but the Secretary and Treasurer may be one and the same), who need not be a member or members of the Sanitary Board. The Vice Chairman, Secretary and Treasurer shall hold office as such at the will of the Sanitary Board. The Sanitary Board shall have power to establish by-laws, rules and regulations for its own government.

Section 4. That each member of the Sanitary Board shall receive Ten Dollars ($10.00) per ~~month~~ meeting for his services, and shall be entitled to payment for his reasonable expenses incurred in the performance of his duties. The Secretary and Treasurer shall be paid such reasonable compensation for services as the Council shall fix, and the Treasurer shall give bond in the amount of $~~50,000.00~~ 10,000.00, or such other amount as the Council subsequently may require.

All compensation, together with expenses incurred by said Board, its officers and employees, shall be paid solely from funds provided under the authority of Chapter twenty-five, Acts of the Legislature, first extraordinary session, one thousand nine hundred thirty-three as amended.

Section 5. That the construction, acquisition, improvement, equipment, custody, operation and maintenance of all works for the collection, treatment or disposal of sewage within or without the corporate limits of the Town of Marmet, West Virginia, the collection of revenues therefrom for the services rendered thereby, and the employment of all engineers, architects, inspectors, superintendents, manager, collectors, attorneys, and other employees, as in the judgment of the Board may be necessary in the execution of its powers and duties, shall be under the supervision and control of the Sanitary Board.

Section 6. That the Sanitary Board created by this ordinance shall have, in addition to the powers enumerated herein, all other powers provided for such Boards in Chapter twenty-five, Acts of the Legislature, first extraordinary session, one thousand, nine hundred thirty-three, as amended.

PETITION OF THE SANITARY BOARD
OF THE TOWN OF MARMET, WEST VIRGINIA

TO: The Council of the Town
of Marmet, West Virginia

Pursuant to the provisions of Chapter 16, Article 13, Section 5, of the Code of West Virginia of 1931, as amended, (the "Code") the Sanitary Board (the "Sanitary Board") of the Town of Marmet, West Virginia (the "Town"), which was established pursuant to an ordinance passed by the Council of the Town (the "Town"), hereby petitions the Council to enact an ordinance that:

(a) Will authorize the acquisition and construction of public sewerage facilities within the Town of Marmet;

(b) Will allow for the financing of the cost through the issuance of not more than $800,000.00 in aggregate principal amount of Sewer Revenue Bonds;

(c) Will authorize the execution and delivery of a trust indenture securing the bonds;

(d) Will approve and ratify a loan agreement and supplemental loan agreement relating to such to such bonds; and

(e) Will authorize the sale and provide for the terms and provisions of such bonds and adopt other provisions which would relate thereto.

This petition was duly authorized at a regular meeting of this Sanitary Board duly called and held on the 20 day of October, 1989.

WITNESS our signatures on this 20 day of October, 1989.

THE SANITARY BOARD OF THE TOWN
OF MARMET, WEST VIRGINIA

By _____
Mayor/Chairman

By _____
Member

By _____
Member

PETITION
OF THE SANITARY BOARD
OF THE TOWN OF MARMET, WEST VIRGINIA

TO: The Council of the
Town of Marmet, West Virginia

Pursuant to the provisions of Chapter 16, Article 13, Section 5, of the Code of West Virginia of 1931, as amended, (the "Code"), the Sanitary Board (the "Sanitary Board") of the Town of Marmet, West Virginia (the "Town"), which was established pursuant to an ordinance passed by the Council of the Town (the "Council"), hereby petitions the Council to enact an ordinance that:

(1) Will authorize the acquisition and construction of public sewerage facilities within the Town of Marmet;

(2) Will allow for the financing of the cost through the issuance of not more than $720,000.00 in aggregate principal amount of Sewer Revenue Bonds; and

(3) Will allow for not more than $1,000,000.00 interim construction financing, which would consist of grant anticipation notes or a line of credit evidenced by notes or by both, and which would provide for the rights and remedies of the security for registered owners of such bonds and notes, would authorize the execution and delivery of a trust indenture securing the notes, would approve and ratify a loan agreement and supplemental loan agreement relating to such bonds and notes, would authorize the sale and provide for the terms and provisions of such bonds and notes, and adopt other provisions which would relate thereto.

This Petition was duly authorized at a regular meeting of this Sanitary Board duly called and held on the _____ day of _____, 1989.

WITNESS our signatures on this ____ day of _____, 1989.

THE SANITARY BOARD OF THE TOWN
OF MARMET, WEST VIRGINIA

By _____
Mayor/Chairman

By _____
Member

By _____
Member

AN ORDINANCE TO AMEND AND RE-ENACT AN ORDINANCE ENTITLED "AN ORDINANCE RELATING TO THE CONSTRUCTION, OPERATION AND MAINTENANCE OF A SEWAGE DISPOSAL SYSTEM IN THE TOWN OF MARMET, THE DISCHARGE OF SEWAGE AND INDUSTRIAL WASTES TO THE MUNICIPAL SANITARY SEWAGE SYSTEM, AND THE IMPOSITION OF RATES FOR THE USE OF THE SERVICE RENDERED BY THE SEWAGE SYSTEM."

THE TOWN COUNCIL OF THE TOWN OF MARMET HEREBY ORDAINS: That Division 5--Sewer Service Schedule of Rates, Schedule No. 1, shall be amended and re-enacted to read as follows:

SCHEDULE NO. 1

AVAILABILITY OF SERVICE:

Available for general domestic, commercial and industrial sanitary sewer service.

RATE:

Meter Rate (Based upon the metered amount of water used)

First	2,000	Gallons	$4.32 per 1000 Gallons
Next	3,000	"	2.62 per " "
Next	25,000	"	2.10 per " "
Next	70,000	"	1.80 per " "
Over	100,000	"	1.10 per " "

MINIMUM CHARGE:

The above schedule is subject to a minimum monthly charge of Eight and 64/100 Dollars ($8.64).

SCHEDULE NO. 2
is hereby deleted.

The rates, fees, charges and delayed payment penalty charges provided for herein shall be effective forty-five (45) days after the rates herein are approved by the Public Service Commission of the State of West Virginia.

SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES:

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

STATUTORY NOTICE AND PUBLIC HEARING:

After introduction hereof, the Council shall publish a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days with at least six (6) full days intervening between each publication in The Charleston Daily Mail and The Charleston Gazette, being newspapers published and of general circulation in Marmet, West Virginia, and said notice shall state that this Ordinance has been introduced and that any person interested may appear before Council on the 8th day of November, 1989, at 10:00 a.m., which date is not less than ten (10) days after the date of the first publication of the Ordinance and Notice, and be heard concerning the proposed rates and charges. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

EFFECTIVE DATE:

The above Ordinance has been introduced at a meeting of the Council held on the 16th day of October, 1989, and shall be effective as of the date of passage.

Passed on the First Reading: _____10/16/89_____

Passed on Second Reading
Following Public Hearing: _____

The foregoing Rate Ordinance has been introduced at a meeting of Council held on October 16, 1989. Any person interested may appear before Council, Marmet City Hall, Council Chambers, Marmet, West Virginia, on the 8th day of November 1989 at 10 o'clock A.m., and be heard concerning the proposed rates and charges. Council will then take such action as it shall deem proper in the premises.

Dated: October 16, 1989

Marie L. Hudnall
Recorder

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA,

TOWN OF MARMET, to-wit:

I, Marie L. Hudnall, Recording Officer of said municipality, do hereby certify that the foregoing are true copies from the record of the orders made and entered by the Council of said municipality on the 16th day of October, 1989.

Marie L. Hudnall
Recorder

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,

KANAWHA COUNTY, TO-WIT:

I, Debra Caldwell OF

THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER

PUBLISHED IN THE CITY OF CHARLESTON, KANAWHA COUNTY,

WEST VIRGINIA, DO SOLEMNLY SWEAR THAT THE ANNEXED

NOTICE OF: MARMET SANITARY BD.

WAS DULY PUBLISHED IN SAID PAPER(S) ON THE DATES

LISTED BELOW, AND WAS POSTED AT THE FRONT DOOR OF THE

COURT HOUSE OF SAID KANAWHA COUNTY, WEST VIRGINIA,

ON THE

30TH DAY OF OCTOBER , 1989 .

DATES PUBLISHED:

10/28/89 GAZETTE

SUBSCRIBED AND SWORN TO BEFORE ME THIS

30TH DAY OF OCTOBER , 1989 .

Barbara Ruth Messer

NOTARY PUBLIC OF KANAWHA COUNTY, WEST VIRGINIA

MY COMMISSION EXPIRES March 11, 1991

PRINTERS FEE $ 71.12

Taken to PSC 11/2/89

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, in the City of Charleston on the 24th day of October, 1989.

CASE NO. 89-727-S-CN

THE SANITARY BOARD OF THE CITY OF MARMET, a municipal corporation, Kanawha County.

Application for a certificate of convenience and necessity to construct a regional secondary treatment plant to treat wastewater generated in both the Cities of Marmet and Chesapeake; to upgrade existing pump stations in Marmet and Chesapeake; install force mains, and demolish existing primary sewage treatment facilities in both cities.

NOTICE OF FILING

WHEREAS, on October 24, 1989, The Sanitary Board of the City of Marmet, a municipal corporation, Kanawha County, filed an application, duly verified, for a certificate of convenience and necessity to construct a regional secondary treatment plant of 478,000 gpd capacity to treat wastewater generated in both the cities of Marmet and Chesapeake; demolish existing primary sewage treatment facilities in both cities in Kanawha County; and

WHEREAS, The Sanitary Board of the City of Marmet estimates that construction will cost approximately $2,678,080; and will be financed as follows: EPA Grant—$1,202,990; CDBG Grant—$680,000; Kanawha County Commission Grant—$100,000; and Water Development Authority. Loan—$695,090; and

WHEREAS, The Sanitary Board of the City of Marmet, a municipal corporation, proposes to charge the following rates and charges:

RATES

First	2,000 gallons used per month	$4.32 per 1,000 gallons
Next	3,000 gallons used per month	2.62 per 1,000 gallons
Next	25,000 gallons used per month	2.10 per 1,000 gallons
Next	70,000 gallons used per month	1.80 per 1,000 gallons
Over	100,000 gallons used per month	1.10 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than Eight Dollars and Sixty Four Cents ($8.64) per month.

DELAYED PAYMENT PENALTY

All sewer bills are payable when rendered. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the net amount shown.

This delayed payment penalty is not interest and shall only be charged once for each bill where applicable.

CONNECTION FEES

A connection will be charged according to the following schedule:

Service Connection Fee $250.00

Pursuant to Section 24-2-11, West Virginia Code, IT IS ORDERED that The Sanitary Board of the City of Marmet, a municipal corporation, give notice of the filing of said application by publishing a copy of this order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Kanawha County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to make objection to said application must do so in writing, within thirty (30) days after the publication of this notice, to P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said 30-day period, the Commission may waive formal hearing and grant the application of The Sanitary Board of the City of Marmet, based on the evidence submitted with said application and its review thereof.

A True Copy, Teste:

Howard M. Cunningham
Executive Secretary

(723743)

THE TOWN
OF MARMET
NOTICE OF
PUBLIC HEARING

Notice is hereby given that the Council of the Town of Marmet, West Virginia, adopted on November 16, 1989, its Ordinance entitled: "AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF MARMET, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN SEVEN HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS ($720,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 A, NOT MORE THAN NINETY-FIVE THOUSAND AND NO/100 DOLLARS ($95,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1989 B, AND NOT MORE THAN ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($1,500,000.00) INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES, BOND ANTICIPATION NOTES, OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH, PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES, AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS, AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES, AND ADOPTING OTHER PROVISIONS RELATING THERETO. The Town contemplates issuance of the Series 1989 A Bonds and Series 1989 B Bonds, Grant Anticipation Notes, Bond Anticipation Notes or a Line of Credit described in the above mentioned Ordinance. Said Ordinance has been adopted. The title of this Ordinance set forth above describes the contents of the Ordinance. Any person interested may appear before the Council of the Town at a public hearing to be conducted during its meeting at 6:00 p.m., on December 5, 1989, in the Council Chambers, Marmet City Hall, Marmet, West Virginia, and present protests, objections and suggestions to be heard by the Council as to the matter set forth in said Ordinance. If at such public hearing, written protest is filed by thirty percent (30%) or more of the owners of real estate situate in the Town, the Council shall not take further action pursuant to said Ordinance unless four-fifths of the members of Council shall assent thereto. Copies of said Ordinance are on file in the Office of the Recorder for review by interested persons during regular office hours, to-wit: 9:00 a.m. to 5:00 p.m., Monday through Friday.

Marie E. Hudnall
Recorder
Town of Marmet

(717605)

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,

KANAWHA COUNTY, TO-WIT:

I, Lucita Caldwell OF

THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER,

THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER,

PUBLISHED IN THE CITY OF CHARLESTON, KANAWHA COUNTY,

WEST VIRGINIA, DO SOLEMNLY SWEAR THAT THE ANNEXED

NOTICE OF: TOWN OF MARMET

WAS DULY PUBLISHED IN SAID PAPER(S) ON THE DATES

LISTED BELOW, AND WAS POSTED AT THE FRONT DOOR OF THE

COURT HOUSE OF SAID KANAWHA COUNTY, WEST VIRGINIA,

ON THE

23RD DAY OF NOVEMBER , 1989 .

DATES PUBLISHED:

11/22/89	GAZETTE	11/22/89	DAILY MAIL
11/30/89	GAZETTE	11/30/89	DAILY MAIL

SUBSCRIBED AND SWORN TO BEFORE ME THIS

1ST DAY OF DECEMBER , 1989 .

Barbara Ruth Messer

NOTARY PUBLIC OF KANAWHA COUNTY, WEST VIRGINIA

MY COMMISSION EXPIRES March 11, 1991

PRINTERS FEE $ 144.66

NOTICE

N ORDINANCE TO AMEND AND RE-ENACT AN ORDI-
CE ENTITLED "AN ORDINANCE RELATING TO THE CON-
JCTION, OPERATION AND MAINTENANCE OF A SEWAGE
OSAL SYSTEM IN THE TOWN OF MARMET, THE DIS-
RGE OF SEWAGE AND INDUSTRIAL WASTES TO THE MU-
PAL SANITARY SEWAGE SYSTEM, AND THE IMPOSITION
TATES FOR THE USE OF THE SERVICE RENDERED BY
SEWAGE SYSTEM,"

E TOWN COUNCIL OF THE TOWN OF MARMET HERE-
DAINS: That Division 5—Sewer Service Schedule of Rates,
dule No. 1, shall be amended and re-enacted to read as
ws:

SCHEDULE NO. 1

AVAILABILITY OF SERVICE:

Available for general domestic, commerical and in-
dustrial sanitary sewer service.

RATE:

Meter Rate (Based upon the metered amount of
ater used).

First	2,000 Gallons	$4.32 per 1000 Gallons
Next	3,000 Gallons	2.62 per 1000 Gallons
Next	25,000 Gallons	2.10 per 1000 Gallons
Next	70,000 Gallons	1.80 per 1000 Gallons
Over	100,000 Gallons	1.10 per 1000 Gallons

MINIMUM CHARGE:

The above schedule is subject to a minimum
monthly charge of Eight and 64/100 Dollars ($8.64).

SCHEDULE NO. 2
is hereby deleted.

The rates, fees, charges and delayed payment
penalty charges provided for herein shall be effective
forty-five (45) days after the rates herein are ap-
proved by the Public Service Commission of the State
of West Virginia.

PARABILITY; REPEAL OF CONFLICTING ORDINANCES:

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

ATUTORY NOTICE AND PUBLIC HEARING:

After introduction hereof, the Council shall publish a copy of
s Ordinance once a week for two (2) successive weeks within a
riod of fourteen (14) consecutive days with at least six (6) full
ys intervening between each publication in The Charleston
ily Mail and The Charleston Gazette, being newspapers pub-
ad and of general circulation in Marmet, West Virginia, and
id notice shall state that this Ordinance has been introduced
d that any person interested may appear before Council on
e 8th day of November, 1989, at 10:00 a.m., which date is not
ss than ten (10) days after the date of the first publication of
e Ordinance and Notice, and be heard concerning the pro-
sed rates and charges. At such hearing all objections and sug-
stions shall be heard and the Council shall take such action as
shall deem proper in the premises.

FFECTIVE DATE:

The above Ordinance has been introduced at a meeting of
Council held on the 16th day of October, 1989, and shall be
ffective as of the date of passage.

Passed on the First Reading: 10/16/89

Passed on Second Reading: _____

Following Public Hearing: _____

The foregoing Rate Ordinance has been introducted at a
eeting of Council held on October 16, 1989. Any person interest-
d may appear before Council, Marmet City Hall, Council Cham-
ers, Marmet, West Virginia, on the 8th day of November, 1989
10:00 o'clock a.m., and be heard concerning the proposed
tes and charges. Council will then take such action as it shall
eem proper in the premises.

Dated: October 16, 1989 /s/ Marie E. Hudnall
Recorder

STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA,
TOWN OF MARMET, to-wit:

I, Marie E. Hudnall, Recording Officer of said municipality,
do hereby certify that the foregoing are true copies from the
record of the orders made and entered by the Council of said
municipality on the 16th day of October, 1989.

/s/ Marie E. Hudnall
Recorder

(723711)

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,

KANAWHA COUNTY, TO-WIT:

I, Della Caldwell OF

THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPE

THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER,

PUBLISHED IN THE CITY OF CHARLESTON, KANAWHA COUNTY

WEST VIRGINIA, DO SOLEMNLY SWEAR THAT THE ANNEXED

NOTICE OF: TOWN OF MARMET

WAS DULY PUBLISHED IN SAID PAPER(S) ON THE DATES

LISTED BELOW, AND WAS POSTED AT THE FRONT DOOR OF T

COURT HOUSE OF SAID KANAWHA COUNTY, WEST VIRGINIA,

ON THE

31ST DAY OF OCTOBER , 1989 .

DATES PUBLISHED:

10/30/89	GAZETTE	10/30/89	DAILY MAIL
11/06/89	GAZETTE	11/06/89	DAILY MAIL

SUBSCRIBED AND SWORN TO BEFORE ME THIS

8TH DAY OF NOVEMBER , 1989 .

Delaree Ruth Messer

NOTARY PUBLIC OF KANAWHA COUNTY, WEST VIRGINIA

MY COMMISSION EXPIRES March 11, 1991

PRINTERS FEE $ 276.32

CITY HALL 949-2241

POLICE 949-4388

City of Marmet
P. O. Box 15037 • Marmet, WV 25315

SPECIAL COUNCIL MEETING

OCTOBER 5, 1989

Meeting called to order by Mayor Cutphin at 7:00 P.M.
Present: Campbell, Clark, Hansford, Tardy and Wells.
Alene McCuen, Attorney Patrick Maroney, and Engineer Paal Ghosh.
Motion by Hansford, seconded by Campbell to accept the sewer rates as presented as follows:
$8.64 as minimum.
15.19 for 4500 gallons of water
above 4500 prorated as presented. Motion carried.
Motion by Hudnall seconded by Campbell to adjourn. Motion carried.

Respectfully submitted
Marie E. Hudnall
Marie E. Hudnall
Recorder

CITY HALL 949-2241

POLICE 949-4388

City of Marmet
P. O. Box 15037 · Marmet, WV 25315

SPECIAL COUNCIL MEETING

OCTOBER 5, 1989

Meeting called to order by Mayor Cutphin at 7:00 P.M.
Present: Campbell, Clark, Hansford, Tardy and Wells.
Alene McCuen, Attorney Patrick Maroney, and Engineer Paal Ghosh.
Motion by Hansford, seconded by Campbell to accept the sewer rates as presented as follows:
$8.64 as minimum.
15.19 for 4500 gallons of water
above 4500 prorated as presented. Motion carried.
Motion by Hudnall seconded by Campbell to adjourn. Motion carried.

Respectfully submitted
Marie E. Hudnall
Marie E. Hudnall
Recorder

CITY HALL 949-2241

POLICE 949-4388

City of Marmet
P. O. Box 15037 · Marmet, WV 25315

SPECIAL COUNCIL MEETING
OCTOBER 12, 1989

Meeting called to order by Mayor Sutphin at 7:00 P.M.
Prayer by Rev. Keyser.
Purpose of Meeting: To decide on the implementation of how to pay $52,000 interest on $695,090 loan for begining the construction of the sewer project.
Present: Mayor Crouch of Chesapeake, Attoreny Robin Louderback, Layne Ellis accountant for Chesapeake, Sanitary Board. Ken Plantz Accountant for Marmet Sanitary Board, Attorney John Poffinbarger Bond Council. John Yonkoskyfrom Water Developement Authority Paul Ghosh engineer for sewer project. Chesapeake council members present were Wilson and Keyser. Marmet council members present were Campbell, Clark, Hansford and Tardy. Wells was absent.
Ken Plantz referring to $52,000 interest on $695,090 the proportioned amount that we have to come up with at the beginning of construction for one year while we are in construction. Mayor Sutphin is not in favor of borrowing any more money on this project. He favors changing our position on raising money by putting the new rates into effect as soon as the Public Service Commission approves the rates, or within in 45 dayes, they would be put into effect.
Marmet and Chesapeake would split 58% for Marmet and 42% for Chesapeake for the amount borrowed, at beginning of Construction.
Attoreny Poffinbarger will take care of writing ordinance and all public notices to be advertised.
We have to have two meetings to be seven days apart for any revenue measures to be passed by council. The ordinance has to be read at a regular council meeting.
Motion by Campbell seconded by Hudnall to implement the new rates on sewer bills at the beginning of construction or 45 days after Public Service Commission approves the rates increase.
Motion carried.
Motion by Hansford seconded by Campbell to adjourn. Motion carried.

Respectfully submitted.
Marie E. Hudnall
Marie E. Hudnall
Recorder

CITY HALL 949-2241

POLICE 949-4388

City of Marmet

P. O. Box 15037 · Marmet, WV 25315

October 16, 1989

COUNCIL MEETING

ATTENDING:	Curtis Sutphin	Mayor
	Marie Hudnall	Recorder
	William Tardy	Councilman
	Earl Campbell	Councilman
	Russell Hansford	Councilman
	Wallace Clark	Councilman
	Bob Wells	Councilman
	Alene McCuen	Clerk

The meeting was opened by a Prayer led by Russell Hansford and the Pledge of Allegiance.

The minutes were read and passed by all except Bob Wells, who was upset and stated he had not been notified of the special meeting which was held on 10/12/89.

OLD BUSINESS

SEA SCOUT REQUEST: R. Hansford had looked into this request for $1,000. and stated that it was not possible to provide ,this money at the present time, that maybe in the 2nd Quarter of the year, it would be reconsidered. Therefore, the money denied at this time.

NEW BUSINESS

HALLOWEEN: Kanawha Co. designated October 31, 1989 as Halloween; the Mayor asked for a motion that Marmet have Halloween at this same date between 6: and 8:00 p.m. After much discussion, a motion was made by Wallace Clark that Marmet go along with the County on this date and time for Halloween, it was seconded by William Tardy. Russell Hansford voted "no". The aye's had it and the motion carried.

B&O TAXES: A resolution was presented to hire Nick Ciggarello to audit any and all businesses located in Marmet for delinquent B&O taxes and review the ordance on B&O and make any suggestions or recommendations. He will be payed $3.75/hr plus expenses, with a ceiling of $500.00. If he has need for a higher ceiling, it will be brought before the council again. A motion was made by Clark, seconded by Wells to pass this resolution, and the motion carried.

KROGER/RESOLUTION: McVey spoke of bond restructuring by Kroger Co. The essence being Kroger wanted to change from a revolving credit to a line of credit, with no adverse effect on the town, and no cost to the town for Lawyers Fees or otherwise. Wells abstained from voting on this since he is employed by Kroger, CO. A motion was made by Russell Hansford to adopt the new resolution, Campbell seconded and the motion carried.

SEWER ORDANCE: The first reading of the new sewer plant ordance rates was read, and the amounts stated as first 2,000 gallons would be $4.32 per gallon, with a minimum bill of $8.64; the next 3,000 gallons would be @2.62 per 1,000; the next 25,000 gallons would be $2.10 per thousand; next 70 thousand would be $1.80 per thousand. Over 100,000 gallons the fee would be $1.10 per thousand gallons, this was for Schedule 1. Schedule 2 was hereby deleted.

The rates, fees and charges plus penalties provided for shall be effective 45 days after the rates herein are approved by the Public Service Comm. in the State of WV. Effective date: the above ordance has been introduced into Council on the 16th day of Oct 89, and shall be effective as of the date of passage. Passed on the first reading 10/16/89. Any person can appear for the second reading of the rates and etc; and the council will take such action as deemed necessary.

The Mayor explained that this would be the first scheduled reading, officially. No discussion followed. This was considered the 1st reading , a time and place will be designated for the second reading, possibly November 8.

Wells and Clark wanted to know if the City had considered all alternatives, and the Mayor stated as far as he was concerned, and that he had more to loose by bad Government than anyone. This was only the first reading, it is not final, and will not be final untilthe special session that will be publized in the newspaper. The Citizens of Marmet will have the opportunity to voice their objections, and then it will be on the shoulders of the Council to make the decision. It was asked that a motion be made to pass it for the first time. The motion was made by Hansford, seconded by Tardy. Wells and Clark both voted "no", the ayes had it and the motion carried.

The Mayor asked for an explanation from Wells and Clark they both stated they would rather have much more information and know that every avenue had been exhausted thoroughly.

Wells then brought up the subject of the vehicle at Doss Hollow, the Mayor stated that had been taken care of. He wanted to bring up ambulances from Boone and other vehicles speeding. The Mayor stated this would had to be taken up with Police Chief.

JUDGSHIP PAPERS: These will be looked over and brought up at next meeting.

TELEPHONE AT REC BLDG: This is still being looked into by Wells.

AMBULANCE SERVICE/FIRE DEPT: Some discussion in regards to whether Hoyt Fontalbert or Jerry McGhee should be in charge. The Mayor stated if personnel problems they should be discussed in closed council.

WATER STANDING ON 97TH STREET: Some discussion by Hudnall and the Mayor, he will point out drains to her.

Hansford made a motion to adjourn meeting, Tardy seconded and the motion carried.

Meeting adjourned.

CITY HALL 949-2241

POLICE 949-4388

City of Marmet
P. O. Box 15037 · Marmet, WV 25315

October 30, 1989

SPECIAL COUNCIL MEETING

ATTENDING:	Marie Hudnall	Recorder
	Curtis Sutphin	Mayor/Chairman S.B.
	William Tardy	Councilman
	Bob Wells	Councilman
	Earl Campbell	Councilman
	Russell Hansford	Councilman
	Bernard Dolin	S. B. Member
	Gene Sheppard	S. B. Secretary

Wallace Clark was unable to attend due to work schedule and asked Wm. Tardy to make sure the minutes reflected this.

1. Attorney Maroney had called on Friday stating that Carbon Fuel (whose appraisers had valued the land at $207,500) had indicated that they would drop their appeal (the Board of Review Appraisers which consisted of 5 had appraised the land for $80,000 plus $6,000 damages for locating a sewer plant at this site)if the City of Marmet would drop their a appeal and pay Carbon the difference between $75,700 (which Marmet appraisers had appraised the property for) which amounts to $10,300 plus 10% interest on this amount.

2. Councilman Wells asked if this money drew interest ($75,700) while deposited with the Circuit Court. The Mayor stated this money in essence was Carbon Fuels when it was deposited and if it had not been deposited the City of Marmet would be paying 10% on the entire $86,000. After some discussion it was determined it would cost the City of Marmet this amount or more for Lawyers Fees and etc. to appeal and maybe end up paying more for the property.

3. The public hearing is scheduled for November 8,1989, for the new sewer rate ordance, then there will be another one, and it will then be settled and out of the way.

4. The Sanitary Board Member Bernard Dolin recommended to the Council that they accept the amount shown above of $86,000 with 10% interest being paid on the difference between $75,700 and $86,000 ($10,300), Gene Sheppard seconded, the vote and motion carried unaminously, by all Members of the Sanitary Board.

5. A motion was then made by Councilman Tardy to accept the recommendation by the Sanitary Board and Earl Campbell seconded. The motion was approved unamiously and the motion carried.

6. Russell Hansford made a motion that the meeting adjourn, Earl Campbell seconded, the meeting adjourned.

CITY HALL 949-2241

POLICE 949-4388

City of Marmet
P. O. Box 15037 · Marmet, WV 25315

October 30, 1989

SPECIAL COUNCIL MEETING

ATTENDING:	Marie Hudnall	Recorder
	Curtis Sutphin	Mayor/Chairman S.B.
	William Tardy	Councilman
	Bob Wells	Councilman
	Earl Campbell	Councilman
	Russell Hansford	Councilman
	Bernard Dolin	S. B. Member
	Gene Sheppard	S. B. Secretary

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6. Russell Hansford made a motion that the meeting adjourn, Earl Campbell seconded, the meeting adjourned.

CITY HALL 949-2241

POLICE 949-4388

City of Marmet
P. O. Box 15037 · Marmet, WV 25315

November 8, 1989

SPECIAL MEETING

PUBLIC HEARING

ATTENDANCE: Curtis Sutphin, Mayor Marie Hudnall, Recorder
William Tardy, Councilman Russell Hansford, Councilman
Earl Campbell, Councilman Alene McCuen, Clerk

Wallace Clark and Robert Wells were unable to attend due to their work schedule.

Also in attendance were Robin Louderback, Chesapeake's Attorney and John Poffinbarger, Bond Attorney.

An attendance sheet was passed around (copy attached) for signatures of the citizens who were in attendance.

This Public Hearing was held for three reasons:

(1) for the second and final reading on the new sewer rate ordnance;
(2) for the first reading of the Bond and Note ordnance;
(3) as a public hearing open to the public.

The Mayor stated this would be the second and final reading of rhe sewer rates, as presented in the regular session of the Marmet City Council in the October Council session; making that the first reading and this the second and final reading.

The second purpose of the meeting is to read the proposed Bond and Note Ordnance for the first time, finalizing it at the regular session of the City Council Meeting on the third Monday of this month.

The third purpose is to make this meeting open to the Public, and to see if anybody had anything to say or questions to ask.

The Mayor then read the Proposed Sewer Ordnance.

The new rates will be as follows:

First 2,000 gallons $4.32 per thousand gallons
Next 3,000 gallons $2.60 per thousand gallons
Next 25,000 gallons $2.10 per thousand gallons
Next 70,000 gallons $1.80 per thousand gallons
Next 100,000 gallons $1.10 per thousand gallons

Minimum rate will be $8.64 per month to be effective 45 days after the Public Service Commission approves.

The Mayor called for questions from anyone in the room; someone asked about the minimum rate charge and again the Mayor emphasized it as being $8.64; the Mayor was then asked if this would change? The Mayor replied if operation expenses should raise in the future, that they would have to be increased just like any public service provider. Bill Pauley asked about cost, and Mayor stated that was an estimate andnot edged in stone as it is now. Cost factor and time prevents new bids on project and good possibility it would overrun if sent out for new bids. Question was asked if the same engineering firm would be used, the Mayor replied yes the same one who has represented Marmet for the last 8 years or so. Some question as to whether substandard products would be used; but the Mayor stated that it was his understanding this would be the case.

The Mayor then asked if any further questions, and if none he asked for a motion to adopt this ordnance. Councilman Hansford made the motion, William Tardy, Councilman, seconded and the motion carried on this second and final reading of the sewer ordnance.

The open meeting was closed after the Mayor had taken questions from the Citizens present.

John Poffinbarger presented the Mayor with a copy of the Ordnance on Bonds and Notes, which the Mayor read for the first time; Poffinbarger stated it was his understand that the City already had a line-of-credit through a bank for a million dollars; the Mayor corrected this to around a quarter of a million; this also provides for Bonds which is bond anticipation notes. The Mayor then called for Questions; this being the first reading; the final reading being on regular council session on 11/20/89. The Mayor then read the ordnance on notes and bonds and again asked for questions. Councilman Hansford asked question "how much are we going to borrow". The Mayor replied that we could borrow up to $720,000 and anticipated using $695,000 the balance of $25,000 would be available if needed. Poffinbarger explained that the Line-of-Credit is so the project can begin, the Government will not give any grant money until the project is finished, then when the work is finished the bills will be presented to EPA and this is when the City gets its money. Mayor asked if that meant the City could not pay these bills as the project goes along, Poffingbarger explained that is what the line-of-credit is for. The Mayor again asked if any more questions, then stated after this is read the second time, have to have public hearing and advertise in the paper, 10 days after it is passed by City Council according to Poffinbarger as called for by the statute of West Virginia. Recorder Hudnall asked "when we could have second reading and Poffinbarger responded that we could have second reading at next regular council meeting and then a special hearing will be set for 10 days hence for final reading.

Mayor asked Chesapeake Attorney Robin Louderback, if all of Chesapeakes readings were out of the way, and she stated "yes."

The Mayor called for a motion to accept Bond and Note Ordnance on first reading; Tardy made motion; seconded by Campbell and the motion carried.

A motion was made by Hansford to adjourn, Tardy seconded, and the meeting adjourned.

Marie E. Hudnall

SANITARY BOARD

TOWN OF MARMET
P. O. Box 15096
Marmet, West Virginia 25315
December 18, 1989

SANITARY BOARD MEETING

ATTENDING

Curtis Sutphin	Mayor/Chairman
Bernard Dolin	Member
Gene Sheppard	Secretary
Alene McCuen	Clerk

Gene Sheppard made a motion, seconded by Bernard Dolin to adopt an Ordinance to Amend Division 5, Schedule 1 of "An Ordinance Relating to the Construction, Operation, and Maintenance of a Sewage Disposal System in the Town of Marmet, The Discharge of Sewage and Industrial Wastes to the Municipal Sanitary Sewage System, and the Imposition of Rates for be Use of the Service Rendered by the Sewage System," as follows:

WATER DISCONNECT - RECONNECT FEES

"Whenever water service has been disconnected for non-payment of sewer bills, a disconnection fee of $20.00 shall be charged.

Whenever water service which has been previously disconnected or otherwise withheld for non-payment of sewer bill is reconnected, a fee of $20.00 shall be charged."

This recommended ordinance to be presented to the City Council for its first reading, Monday, December 18, 1989.

CURTIS SUTPHIN
MAYOR/CHAIRMAN

BERNARD DOLIN, MEMBER

Copy to:
Ken Plants

SANITARY BOARD

TOWN OF MARMET
P. O. Box 15096
Marmet, West Virginia 25315
October 20, 1989

SANITARY BOARD MEETING

ATTENDING

Curtis Sutphin	Mayor/Chairman
Bernard Dolin	Member
Gene Sheppard	Secretary
William Tardy	System Operator
Alene McCuen	Clerk

The Sanitary Board Member, Bernard Dolin made a motion, which was seconded by Gene Sheppard to petition Marmet City Council to enact an ordance that will:

a. Authorize construction of a sewer facility.

b. Allow financing by issuance of sewer revenue bonds, amount not to exceed $800,000.

c. Authorize a trust indenture to secure bonds.

d. Approve Loan Agreement relating to bonds.

e. Authorize sale of and provide terms of sale.

CURTIS SUTPHIN
MAYOR/CHAIRMAN

BERNARD DOLIN
MEMBER

GENE SHEPPARD
SECRETARY

CITY HALL 949-2241

POLICE 949-4388

City of Marmet

P. O. Box 15037 · Marmet, WV 25315

COUNCIL MEETING

December 18, 1989

ATTENDING: Curtis Sutphin, Mayor
Councilman Campbell
Councilman Hansford
Councilman Wells
Marie Hudnall, Recorder
Councilman Clark
Councilman Pardy

Also attending: Greg McVey, City Attorney and Alene McQuen, Clerk.

The meeting was called to order, followed by a Prayer lead by Councilman Hansford; this was followed by the Pledge of Alligence.

The minutes of the Special Council Meeting and the Regular Council.

The Mayor started the meeting by complimenting the Police Dept. on the job they had done during the last month, solving several Breaking & Enterings in Marmet. The Mayor then complimented the Street Dept. and Ray Jarrett for the exceptional way the snow had been removed from the City Streets, stating that he felt Kanawha City's still was not in as good a condition as Marmets, even though Charleston has more personnel to complete this task than Marmet.

NEW BUSINESS: The Mayor then asked for the 1st reading of an ordinance to Amend Div. 5, Schedule 1, of that ordinance which relates to the construction of and maintenance of a sewer system. This ordinance concerns the connection and disconnection of water for delinquent sewer bills. The Mayor then read the ordinance addition as follows:

WATER DISCONNECT - RECONNECT FEES

Whenever water sevice has been disconnected for non-payment of sewer bills, a disconnection fee of $20.00 shall be charged.

Whenever water service which has been previously disconnected or otherwise withheld for non-payment of sewer bill is reconnected, a fee of $20.00 shall be charged.

This ordinance amendment was recommended by the Sanitary Board, who met on December 18, 1989 at 10:00 a.m. Councilman Hansford made a motion to pass this ordinance amendment and Councilman Wells seconded the motion. The motion carried.

OLD BUSINESS: Recreation Building Emergency Lighting was brought forth at the last regular council meeting by Councilman Clark, who is the coordinator for the Recreation. Councilman Clark and Mr. Ray Jarrett, Street Commissioner, have been working on this. Mr. Jarrett was asked what he had found out. Mr. Jarrett stated that Bert Clendenin stated he would buy the lights, conduent, wiring, and furnish the labor for $761.00 (the lights cost $70.00 a piece by themselves). The Mayor asked if these were double-headed lights, Mr. Jarrett stated that they were. The Mayor then stated that he had also received this same price for the lights themselves from Safety Equipment. The Mayor recommended that these lights be installed and charged to the Bingo Fund. A motion was made by Councilman Tardy to install these lights thru Bert Clendenin for the $761.00, Councilman Campbell seconded the motion, and the motion carried. The Mayor then stated that really anything under $1,000.00 does not have to pass before Council.

NEW BUSINESS: The Mayor then read a letter from Mr. Lambert, Attorney who is representing a Coal Company of which the name was unspecified in regards to the annexation of 14.369 acres on the east end of Marmet, dated February 9, 1982, and appearing in Order Book 64, Page 205, annexed by Marmet by an order of the County Commission. Mr. Lambert stated that records were searched in the County Clerks' office and this order does not appear of record, also the Commission file does not show evidence of compliance with the statutory requirements that five (5) notices of the annexation were posted within the area to be annexed. Carbon Fuel was not aware of the annexation, no notices were posted on the tract. Mr. Lambert further stated, in other words I feel that procedure to annex is subject to further review by the County Commission with a view toward rescinding the order. My client intends to utilize this area for temporary storage of coal before transferring to a coal-loading facility, this would constitute a very limited use in a business sense of the property when compared to the overall operation. At this time, Mr. Lambert further stated, my client does not wish to open a legal issue of the legality of the annexation, but rather would like to enter into an agreement with Marmet to hold in abayance this issue and benefit the City of Marmet, by entering into an agreement to pay Marmet $300.00/mo; $3,600.00/yr to the City of Marmet, this would provide the coal company with fire and police protection, this of course contingent on the purchase of the property in question. Mr. Lambert went on to say he had spoken to Mr. Ciccarello and Mr. Ciccarello could explain Mr. Lamberts concerns, as Mr. Lambert had relayed them to Mr. Ciccarello; Mr. Lambert further stated that if the City of Marmet should agree to this proposal, Mr. Lambert would like to know within the next few days as time is of the essence.

The Mayor stated this letter was nothing but a bunch of "jive". The Council then asked some questions. The Mayor stated he knew personally that 5 notices were posted on the strip of land in question, he also stated that Mr. Bowen, who was the Public Works Director, Hausenbaucker, the then City Attorney, who was handling the annexation, and Mayor Sutphin picked out the spots where the notices would be put up. Mr. Bowen then took Ray Jarrett and the two of them put up these signs and the Mayor doubled back to the area to assure that the signs had indeed been posted.

The Mayor stated that Carbon Fuel was fully aware, because they in turn were going to sell that property to the Kroger Co., to build their new store, but when Kroger could not get Hecks to go in with them, then Kroger backed off to where they are now, the site of the old Drive-In Theatre. Miami Adkins who was engineer at that time, who is the City's surveyor/engineer acquired a lot of his information and maps from Carbon Fuel Coal Co., and the maps show this. Mr. Bill Brackenridge, who is their Superintendent was fully aware of it and went right along with it with the exception of one thing, if the City crossed the road and tried to pick up the river front property, they would fight the annexation. The Mayor stated that the City Administration at that time which the now Councilman Earl Campbell was part of, agreed that we would be better to take a piece of the loaf of brad, than none at all, the City of Marmet backed off from the river front property and didn't try to annex it. When we went before the County Commission on the final day of the decision by the County Comm., Commissioner Shules, Silverstein, and Sheppard, Sheppard asked the question himself, has it been properly posted, and did Carbon Fuel object, and are they the only freeholders there. The Mayor responded that it had been properly posted, that Carbon Fuel did not object, and that Carbon Fuel was the only freeholders. Commissioner Sheppard said ok, I move we go ahead and go along with the minor boundary change with the City of Marmet. The Mayor stated the City has the signed order, with all 3 County Commissioner's signatures, on file in the Clerk's Office. The Mayor stated that Mr. Lambert was, of course, trying to hold down the cost for his client, mainly where they don't have to pay exorbant Real Estate Tax because of what they are going to have to pay for that property, and trying to get around paying B&O taxes.

As far as the Mayor was concerned, he stated he thought this letter should be turned over the City of Marmet's Attorney McVey for response. The Council Members were unanimous in feeling that McVey should respond to this letter.

NEW BUSINESS: The Mayor asked if all Council Members had received and read a copy of the "CODE OF ETHICS"; all councilmembers were in receipt and had read this "Code". The Mayor was going to ask for the 1st reading and the 2nd at the next council meeting, but he was informed by both Councilman Clark (who had spoken to the Ethics Committee) and Attorney McVey that the State Ethics would apply, no matter how it was voted on in the municipalities, therefore it was not necessary to read this Code of Ethics or have it voted on

OLD BUSINESS: The Mayor then asked how the Council felt about the recommendation presented by Nick Ciccarello at the last regular council meeting in regards to changing the $150.00 deduction to $50.00, which would be in line with the City of Belle, and surrounding cities and towns. Effective the 1st of July 1990, this deductible will be changed to $50.00 with a 5% penalty (which can be waived by the Mayor up to $500.00, anything over $500.00 needs council approval and a 6% non-waivable interest. Councilman Hansford made this motion seconded by Councilman Tardy and the motion carried.

The Mayor then asked if Councilman Hansford had an additional items, to which he stated "no."

Councilman Wells was then asked for any items. Councilman Wells brought up the subject of the Jr. High School being closed. The Mayor then asked Councilman Hansford if he had found out any pertinent information, to which Councilman Hansford responded that his feeling was that Horace Mann does not want the Marmet children as it would lower their averages on their test score and their standards; that East Bank had been asked to take the 218 students, but their principal had responded that he could not take this many new students at this time. Councilman Hansford feels the Marmet students will be discriminated against if sent out of the area. The Mayor then asked that a resolution be passed to oppose the closing of the Marmet Jr. High School. Councilman Tardy made a motion to pass this resolution, Councilman Campbell seconded, and the motion carried.

The Mayor then asked if Councilman Clark had any further items, to which Councilman Clark replied,"What about the bridge over the Locks?"

The Mayor stated that he had talked to Dwight Smith on the previous Thursday, and given him this suggestion, Mr. Smith stated he would pass this suggestion on to his Colonel or the "head honcho" at the Corps of Engineers; but Mr. Smith did not think it would be feasible at the present lock site as they are only going to add a channel and not reconstruct the entire locks. However, if they should go downriver (which they don't want to do) and build a new locks, then they possibly could build a bridge on top, similar to the one in Greenup, KY.

The Mayor then asked Councilman Campbell for any items he might have. Councilman Campbell did not have any items for discussion.

Councilman Campbell then made a motion for adjournment, Councilman Tardy seconded this motion, and the motion carried.

CITY HALL 949-2241 POLICE 949-4388

City of Marmet
P. O. Box 15037 · Marmet, WV 25315

December 5, 1989

SPECIAL PUBLIC HEARING

The meeting was called to order at 6:00 p.m.

Those in attendance: Curtis Sutphin, Mayor
Marie Hudnall, Recorder
Earl Campbell, Councilman
Wallace Clark, Councilman
Russell Hansford, Councilman
William Tardy, Councilman
Robert Wells, Councilman

Also attending: John Pauffenberger, Note and Bond Council,
Alene McCuen, Clerk

The purpose of this special meeting is to hold it open to the public to see if anyone protests the Note and Bond Ordnance.

There was a quorum; the meeting was open to the floor pursuant to the advertisement in the newspaper. Since the meeting itself is called for the Sewer Project, the Mayor also inserted the resolution to accept the small cities block-grant award. Councilman Tardy asked if he should vote on this matter. The Mayor stated as long as he was not financially involved; stating that Tardy worked for the Sanitary Board also, and a ruling had been set by the ethics committee, and in essence he should abstain from anything involving the Sanitary Board; however, what Maroney and McVey, the City Attorneys, have said is as long as he is not financially involved as far as his salary or financial gains directly to him, by all means he should go ahead and vote.

The purpose of the meeting itself is to discuss the secondary sewage treatment facility and the selling of bonds and notes, and to throw the meeting open as advertised, to determine if there be any citizens who want to make statements for or against the project. Anyone in the room who wants to do that; the Mayor then call on the 2 individuals who had attended and asked for comments. Secondly a resolution to accept the small cities block-grant award; whereas, the City of Marmet need to make improvements to its waste-water treatment plant and whereas, the State of WV has made available $430,000 from the 88/89 small cities block-grant program. The City of Marmet authorizes acceptance of the grant offer, including the terms and conditions involved; now, therefore, be it resolved that the Marmet City Council authorize acceptance of the small cities block-grant offer, for the amount of $430,000, including the terms and conditions involved and authorizing Mayor C. W. Sutphin to execute and sign all necessary documents to accept the grant. The Marmet City Council also authorizes said Mayor to sign all documents related to financial matters, including request for payment. Adopted this 5th day of December, 1989, at a special Meeting of the City Council in which a quorum was present and voted affirmally on the resolution. MHE

The purpose of this special meeting:

(1) To accept the small block grant award of $430,000; second purpose of this meeting was of course to comply with the ordnance pertaining to rates involving the project and to determine if there be any citizens who had additional input they wanted to inject or protest; whatever they wanted to say. The Mayor then asked if there were any questions; the Mayor asked twice more if there were any questions. The Mayor stated if there are no questions, a motion will be asked for to close the special meeting open to the public. Councilman Campbell made a motion to close the hearing to the public, Councilman Wells seconded the motion and the motion carried.

The Mayor then asked for a motion to accept the $430,000 small cities block-grant award. Councilman Wells made a motion to accept this $430,000, seconded by Recorder Hudnall, and the motion carried.

The Mayor, Recorder, and all Councilmen then signed the small block-grant award.

A motion was then made by Councilman Wells to adjourn, this motion was seconded by Councilman Campbell, and the motion carried.

Respectfully submitted
Marie E. Hudnall
Marie E. Hudnall
Recorder

Copy to: Pauffenberger

CITY HALL 949-2241

POLICE 949-4388

City of Marmet
P. O. Box 15037 · Marmet, WV 25315

November 20, 1989

REGULAR COUNCIL MEETING

ATTENDING: Marie Hudnall, Recorder, Acting Mayor
Earl Campbell, Councilman
Wallace Clark, Councilman
Russell Hansford, Councilman
William Tardy, Councilman
Robert Wells, Councilman

Also in attendance: Greg McVey, City Attorney and Alene McCuen, Clerk.

Mayor Curtis Sutphin was unable to attend.

Councilman Hansford led the prayer, followed by the Pledge of Allegiance.

The minutes of the regular council meeting (10/16/89) and the special council meetings (10/30, 11/8 & 11/16) were read by Alene McCuen, Clerk.

A motion was made by Councilman Tardy to accept the minutes as read, this was seconded by Councilman Wells, and the motion carried.

OLD BUSINESS

Acting Mayor Hudnall asked the City Attorney McVey to report to the Council on the right-of-way on 80th Street & also the status of the replacement/repair of the roof on the Recreation Building.

McVey reported that he had talked to the Engineering Department at the Department of Highways, who told McVey that as long as the drainage easement remains the street can be widended, and there would be no problem in doing that. They did suggest to McVey that when the City's plans get to the point that an enginner is actually drawing up the plans then maybe the City should consult with the Dept. of Highways Engineers for the protection of the City of Marmet.

Regarding the roof, McVey had talked to the Contractor, and he stated that as far as getting the total roof replaced, he doesn't think that there is going to be a problem, as Goodyear had indicated they would do that, but it is going to take more time for them to get approval and that sort of thing, he did say there is some problem in the back wall with the roof leaking, and that he would be willing to make temporary repairs and would have someone available on 11/21/89 to look into this.

Acting Mayor Hudnall stated that at this point, regarding the constructio on 80th Street, the City does not have enough revenue, but may in the future, to widen this street. This will have to be put on hold at this time.

Acting Mayor Hudnall asked the Council and Attendees to pause for a minute in memory of Spencer Bowen who put a lot of hours in to work for the City of Marmet.

At this point, Acting Mayor Hudnall introduced Mr. Nick Ciccarello, who has been working with Hudnall on the B&O Taxes, as an Examiner.

Mr. Ciccarello stated when he first came to the City, he submitted suggestion to the Mayor, to be brought up to the Council for approval, as follows:

(1) Recommend that consideration should be given to reduce the annual exemption of $150.00/yr. Areas around Marmet, Charleston and So. Charleston have $5.00/yr exemptions; Nitro, Dunbar, and St. Albans, have a $25.00 exemption/yr; and Belle has a $50.00/yr exemption. Talking about 100 taspayers times $150.00 would equal $15,000. Mr. Ciccarello feels some consideration should be given to reducing this figure of $150.00/yr exemption.

(2) Recommend that the Council consider a recommendation of a non-waivable interest of 6%, the State right now has a non-waivable interest of 11%, this would apply to those taxpayers who do not report, file late, file and do not remit.

(3) Also, along with that we still have the 5% pernalty; which the Mayor would have the right to waive but he could not waive the interest. This would cut down on late filers and also would make the taxpayers remit what is due.

The $150.00 eliminates a lot of taxpayers from paying anything; all they pay is a franchise/license fee, and you loose a lot of small businesses, of course the town provides services to these small business (fire and police, for instance) as for the larger businesses. So, the City should receive something for these services. Mr. Ciccarello stated that since he had been working for the City he had prepared estimated and actual assessments against some businesses. He also went through every file to see the consistency of tax being paid. The code provides that taxpayers should report quarterly, so there is a penalty attached to late filing, this amounts to $19,474.76; the assessment he is going to mail out this week amounts to $10,097.46 and assessments for late filing is $807.77, for a total of $30,379.99. This doesn't guarantee it is going to be paid however, and the City may have to go different routes for collection. The letter being sent out allows 10 days for the taxpayer to come in and talk to Marie Hudnall or arrange a payment plan. Some of these assessments were estimated, which means some of the taxpayers will probably come in and pay what they actually owe. Mr. Ciccarello asked for questions. It was stated that the City may have to take a lein on the taxpayer's property or take them to court to recover. Mr. Ciccarello stated that on one of the big ones he figures they are going to pay. Mr. Clark asked if this was Liquid Carbonic, Mr. Ciccarello stated "probably", Mr. Hansford asked if this was the one where the gas was going to DuPont. Mr. Ciccarello stated they were reporting under the industry classification, when they should have been reporting under manufacturing classification. Acting Mayor Hudnall stated these were only recommendations for the Council to consider before the next regular council meeting. Mr. Ciccarello stated the reason for interest is to stop a lot of late filings; so there would be a 6% interest, plus a 5% penalty. There was some discussion about this information presented by Mr. Ciccarello. Mr. Ciccarello went on to state that he was not going to audit some places like Rite Aid and Kroger, as this would involve travelling out of State and it would not be feasible dollarwise as

his dealings with these companies while he was employed by the State showed that they were fairly clean. Mr. Ciccarello went on to state that some taxpayers were delinquent all the way back to 1987, and some are late every quarter. Councilman Clark asked if there was a copy available for the Councilmen to review before the next meeting. Acting Mayor Hudnall stated that a copy would be made available. Mr. Ciccarello went on to explain that the next taxpayers he was going after was the soft drink companies such as Pepsi, and Coke. Mr. Ciccarello also needs to check into the franchise code on this. Acting Mayor Hudnall thanked Mr. Ciccarello for his input.

It was then suggested by Acting Mayor Hudnall, that all council members, and all people in Marmet attend the meeting to be held at the DuPont High School, November 28, at 7:00 pm, which concerned the Locks repair/replacement project, as scheduled by the Corps of Engineers.

Acting Mayor Hudnall then asked Councilman Hansford if he had anything to bring before the Council. Councilman Hansford discussed the Christmas Dinner, he had spoken to the new principal at the Jr. High and the Christmas Dinner could be held on December 3, with Mrs. Green, Mrs. Brown, Ms. Sloan, and the new head cook at the Jr. High preparing this meal. It could not be held on other dates as the various churches in the City were holding theirs on those dates.b It is not only for the ederly, but for the City employees and anyone who wants to come in and eat. It will be advertised in the Metro East. (Councilman Hansford wanted it noted that Mrs. Hudnall has specifically asked that it be held before Christmas.) A motion was made by Councilman Campbell to hold this dinner from 12:00 noon to 3:00 pm on December 3, with a limit of $1,000 to be spent on this dinner, Councilman Tardy seconded this motion, and the motion carried.

Acting Mayor Hudnall asked Councilman Tardy if he had any items for discussion, and he had none.

She then asked Councilman Wells if he had any, and he briefly discussed the phone at the Recreation Center, which he, Councilman Clark, and Sue Patterson are working on jointly, there may be a contract with better commission for the City of Marmet. Acting Mayor Hudnall asked that this be presented at the next council meeting and put on hold at this time.

There was some discussion about the plaque which keeps disappearing. It was suggested that it could be embedded into the cinder block on the front of thebuilding.

Councilman Clark was then asked if he had any items for the Council, and he asked about the Judgeship, which is to be tabled for discussion at the next regular meeting of the Council scheduled for Dec. 18, 1989.

Councilman Campbell was then asked if he hadaany input for the Council, he stated he did not.

A motion was then asked for for adjournment. Councilman Tardy made the motion to adjourn, Councilman Campbell seconded and the motion carried.

Marie L. Hudnall

CITY HALL 949-2241

POLICE 949-4388

City of Marmet
P. O. Box 15037 · Marmet, WV 25315

November 16, 1989

SPECIAL COUNCIL MEETING

ATTENDING: Curtis Sutphin, Mayor
Marie Hudnall, Recorder
Robert Wells, Councilman
Wallace Clark, Councilman
William Tardy, Councilman
Russell Hansford, Councilman
Earl Campbell, Councilman
Alene McCuen, S.B. Clerk

Also in attendance was John Poffinbarger Bond and Note Attorney.

This meeting which started at 5:00 p.m., was called for 3 reasons as stated by Mayor Sutphin:

(1) Reading of the Note and Bond Ordnance (2nd Reading);
(2) To review Bids received on the Heating System replacement for the City of Marmet Recreation Building;
(3) To discuss a 5% pay increase for City Employees.

Item 1 -- Bond and Note Ordnance was concerning the Sewer Construction Project was read a second time for all concerned citizens in attendance. The Mayor called for questions, when none were presented, he asked for a motion to accept the Note and Bond Ordnance as read for the 2nd time. No questions were asked, Earl Campbell, Councilman, made a motion to accept the Bond and Note Ordnance as read, William Tardy, Councilman, seconded the motion and the motion carried.

Mr. Poffinbarger stated that we will need to have a second public hearing which was scheduled for November 30, 1989 at 6:00 p.m.; this will be published in the newspaper by Mr. Poffinbarger on the 19th and again on the 27th of November 1989.

Item 2 -- Bids on Rec Bldg heating unit:

There were only 2 bids received:

From Peal and Lomack for $2,900.00 for 100,000 BTU, plus 1 year service;

From Al Marino for $3,500.00 for 150,000 BTU, no free service stated.

Tardy made a motion to accept the bid from Peal and Lomack, however, the Recorder made a telephone call about this 100,000, as Peal and Lomack had stated it would be the same as in the rec bldg now which is 150,000 BTU; Tardy seconded the motion. WWallace Clark, Councilman, seconded the motion.

While the Recorder was making the telephone call to Peal and Lomack to clarify whether the $29000. was for 100,000 BTU or 150,000 BTU there was some discussion about the need for emergency lighting in the Rec. Bldg., Mayor Sutphin asked Ray Jarrett, Street Commissioner to check with various suppliers as to the cost for this emergency lighting.

There was also some discussion about the roof at the Rec Bldg. According to City Attorney McVey, Goodyear's contractor here in WV said he would be repairing some of the leaks in the building and that Goodyear does intend to stand behind this roof with replacement in the future.

Item 3 -- 5% Pay Raise

The Mayor stated that the City Employees had not had a dollar and cents raise in 3 years; what they did receive however was last year their insurance jumped about $80.00 on the month, the City picked this up; this was really an $80.00 month raise without the receipient having to pay Social Security, State and Federal Taxes, and etc. on this extra money per month. The City pays $293.00 per month on each employee for the Family Plan on Hospitalization; so that is $300.00 in round figures that these boys are getting and not paying taxes on. The Mayor then asked Ray what he was making an hour, and Ray replied $6,00 per hr; the Mayor stated when you consider the City is paying approximately 14% to the Employees Federal Retirement System Ray is probably actually making $10.00/$11.00 or more an hour, even though he is not taking that money home with him. The Mayor stated he had gone over this 5% raise extensively with both Marie Hudnall, Recorder, and Glen Searls, and we are looking at the present time of having to pay an additional $2,500 for their insurance and will' probably have to pay additional premimums in the next fiscal year, and we are looking at another piece of money we have just paid out for liability insurance, we are also looking at this 2,900 for the heating system at the rec bldg, we may have to hold until January and look at this thing again, the Mayor recommended that the City give each of its employees $50.00 for a Christmas Bonus. The Mayor stated we can not completely break ourselves or we would be bankrupt. The Mayor also sated that less and less traffic is passing through Marmet at 5:00 pm out of Charleston and he is afraid this will affect the economy of Marmet. Campbell made the motion to give the $50.00 Christmas Bonus, seconded simulanteously by Hansford and Tardy. The motion carried.

Marie Hudnall reported on her telephone call to Peal and Lomack, stating that she was informed by their company that 100,000 BTU's was sufficient but if the City wanted they would put in 150,000 BTU units for $3,300.00. Some discussion ensued concerning 100,000 vs 150,000 BTU's. The Mayor asked for another motion to pay $3,300 to Peal and Lomack for 150,000. Clark made the motion, Wells seconded, and the motion carried.

It will take 2 weeks to get these heating units in after it is passed by Council and he is given the ok to proceed.

Councilman Hansford suggested that the 4th of July flags be removed in the lower end of Marmet before putting up the Christmas decorations.

The Christmas Dinner for employees will also be brought up and voted on at the regular council meeting on Monday, November 20, 1989.

Councilman Hansford made a motion that the meeting be adjourned, Councilman Tardy seconded and the motion carried.

Marie G. Hudnall

Marie Hudnall, Recorder

Form **8038-G** (Rev. October 1989) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Section 149(e)
▶ See separate instructions
(Use Form 8038-GC if the issue price is under $100,000)

OMB No. 1545-0720
Expires 5-31-92

Part I Reporting Authority

Check box if Amended Return ▶ ☐

1 Issuer's name: TOWN OF MARMET
2 Issuer's employer identification number: 55-6009887
3 Number and street: P. O. Box 15096
4 Report number: G1990 - 1
5 City or town, state, and ZIP code: Marmet, West Virginia 25315
6 Date of issue: January 3, 1990
7 Name of Issue: Town of Marmet Sewerage Revenue Bond Issue, Series 1990 A $664,013; Series 1990B $30,987.00
8 CUSIP Number: NONE

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

		Issue price
9	Check box if obligations are tax or other revenue anticipation bonds ▶ ☐	
10	Check box if obligations are in the form of a lease or installment sale ▶ ☐	
11	☐ Education	$
12	☐ Health and hospital	
13	☐ Transportation	
14	☐ Public safety	
15	☒ Environment (including sewage bonds)	650,000.00
16	☐ Housing	
17	☐ Utilities	
18	☐ Other. Describe (see Instructions) ▶	

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	10/1/28	7.5% %	$695,000.00	$ 52,046.45			
20 Entire issue			$695,000.00	$ 52,046.45	27.93 years	7.5 %	7.5 %

Part IV Uses of Original Proceeds of Bond Issues (including underwriters' discount)

21	Proceeds used for accrued interest		21 -0-
22	Issue price of entire issue (enter line 20c)		22 $695,000.00
23	Proceeds used for bond issuance costs (including underwriters' discount)	23 $ 15,000.00	
24	Proceeds used for credit enhancement	24 -0-	
25	Proceeds allocated to reasonably required reserve or replacement fund	25 -0-	
26	Proceeds used to refund prior issues	26 -0-	
27	Total (add lines 23, 24, 25, and 26)		27 $ 15,000.00
28	Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)		28 $ 680,000.00

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

29 Enter the remaining weighted average maturity of the bonds to be refunded ▶ N/A years
30 Enter the last date on which the refunded bonds will be called ▶
31 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

32 Enter the amount of the state volume cap allocated to the issue ▶ -0-
33 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception) ▶ -0-
34 Pooled financings:
a Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units ▶
b Check box if this issue is a loan made from the proceeds of another tax-exempt issue ▶ ☒ and enter the name of the issuer ▶ West Virginia Water Development Authority and the date of the issue ▶ 12/27/89

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here

▶ Signature of officer: Curtis Sutphin 2/14/90 Date
▶ Type or print name and title: Curtis Sutphin, Mayor

For Paperwork Reduction Act Notice, see page 1 of the Instructions.

*U.S. Government Printing Office: 1989-262-151/00019

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

NEW ISSUE REPORT FORM

Date of Report: _____

(See Reverse for Instructions)

ISSUE: City of Marmet Sewer WDA Loan

ADDRESS: P. O. Box 15037, Marmet, WV 25315 COUNTY: Kanawha

PURPOSE OF ISSUE: New Money X Refunding ____ Refunds issue(s) dated: _____

ISSUE DATE: 1/3/90 CLOSING DATE: 1/3/90

ISSUE AMOUNT: $ 664,013.00 Acrly RATE: 7.85%

1st DEBT SERVICE DUE: 4/1/90 1st PRINCIPAL DUE: 10/1/91

1st DEBT SERVICE AMOUNT: _____ PAYING AGENT: Municipal Bond Commission

ISSUERS BOND COUNSEL: Hamb, Poffenbarger & Bailey
Contact Person: J. T. Poffenbarger
Phone: 343-4128

CLOSING BANK: City National Bank
Contact Person: David Dawson
Phone: 925-6611

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Curtis Sutphin
Position: Mayor
Phone: 949-2241

UNDERWRITERS BOND COUNSEL: _____
Contact Person: _____
Phone: _____

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

OTHER: _____
Contact Person: _____
Function: _____
Phone: _____

DEPOSITS TO MBC AT CLOSE:
By ____ Wire
____ Check

____ Accrued Interest: $ -0-
____ Capitalized Interest: $ -0-
____ Reserve Account: $ -0-
____ Other: _____ $ -0-

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $ -0-
____ To Issuer: $ -0-
____ To Cons. Invest. Fund: $ -0-
____ To Other: _____ $ -0-

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

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

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

The Commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the WV Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all suppliments, 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.

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

GASTON CAPERTON
Governor

J. EDWARD HAMRICK III
Director

LARRY W. GEORGE
Deputy Director

September 25, 1989

Mrs. Catherine A. Mastropieri, Acting Chief
Grants Management and Audit Branch (3PM71)
Environmental Protection Agency
Region III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

RE: Town of Marmet
C-540452-02

Dear Mrs. Mastropieri:

Transmitted are the Part B documents for Contracts 1 and 2 of the referenced project. The State approves the bidding procedures and the request for grant increase in the amount of $479,910 reflecting a revised federal grant of $1,202,990 which includes $952,050 in conventional funds and $250,940 in innovative funds. The total eligible project cost is now $1,731,000.

Should you have any questions, please contact Rosalie Ortega of my staff at (304) 348-0637.

Sincerely,

CONSTRUCTION GRANTS BRANCH

Mike Johnson

Mike Johnson, P. E.
Branch Head

MJ/roa

Enclosures

cc: Town of Marmet
Ghosh Engineers, Inc.
~~Bernie Yankosky, WDA~~

TOWN OF MARMET, WEST VIRGINIA

SEWER REVENUE BONDS, SERIES 1990 A AND SERIES 1990 B

ACCEPTANCE OF DUTIES OF REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, with principal offices in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Marmet Sewer Revenue Bonds, Series 1990 A and 1990 B, dated January 3, 1990, in the aggregate principal amount of $695,000.00, and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Local Act authorizing the issuance of the Bonds.

Dated this 3rd day of January, 1990.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte L. Morgan

Its Corporate Trust Administrative Officer

TOWN OF MARMET

Sewer Revenue Bonds
Series 1990 A and Series 1990 B

CERTIFICATE OF REGISTRATION OF BONDS

I, Charlotte S. Morgan, of One Valley Bank, National Association, Charleston, West Virginia, as Registrar under the Local Act and Registrar's Agreement providing for the $695,000.00 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B, of the Town of Marmet (the "Issuer"), hereby certify that on the 3rd day of January, 1990, the single, fully registered Series 1990 A Bond of the Issuer, in the principal amount of $664,013.00, designated "Sewer Revenue Bond, Series 1990 A", numbered AR-1, and the single, fully registered Series 1990 B Bond of the Issuer, in the principal amount of $30,987.00, designated "Sewer Revenue Bond, Series 1990 B", numbered BR-1, were registered as to principal and interest (the Series 1990 B Bond being registered as to principal only) in the name of "West Virginia Water Development Authority", in the books of the Issuer kept for the purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature as of this 3rd day of January, 1990.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte S. Morgan

Its Corporate Trust Administrative Officer

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 3rd day of January, 1990, by and between the TOWN OF MARMET, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and One Valley Bank, National Association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $695,000.00 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B, in fully registered form (collectively, the "Bonds"), pursuant to a Bond and Notes Ordinance enacted December 5, 1989, and a Supplemental Resolution adopted January 2, 1990 (collectively, the "Local Act");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein, shall have the respective meanings given them in the Local Act, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Local Act provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Local Act and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Local Act and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar, and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Local Act, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance, and when properly presented for exchange or transfer, shall do so with the intention of maintaining the exemption of interest on the Bonds from Federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar, and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purpose of acting as the Registrar and with such other information and reports as the Issuer may, from time to time, reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule, and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Local Act with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Local Act, the terms of the Local Act shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement, and that neither such execution nor the performance of its duties hereunder or under the Local Act will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon sixty (60) days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:	Town of Marmet Marmet City Hall Marmet, West Virginia 25315 Attention: Mayor
REGISTRAR:	One Valley Bank, National Association One Valley Square Charleston, West Virginia 25301 Attention: Charlotte S. Morgan

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Local Act.

IN WITNESS WHEREOF, the Town of Marmet and One Valley Bank, National Association, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above written.

TOWN OF MARMET

By _____
Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

By _____

Its Corporate Trust Administrator Officer

LOAN PROGRAM II
REQUISITION AS TO LOAN TO GOVERNMENTAL AGENCY

TO: ONE VALLEY BANK, NATIONAL ASSOCIATION, Trustee (formerly Kanawha Valley Bank, National Association)

A. Name of Governmental Agency to which payment is to be made: Town of Marmet, West Virginia

B. Total Amount to be paid: $664,013

C. Certification by Water Development Authority:

I hereby certify that under the terms and provisions of the Loan Agreement providing for the Loan to the above-captioned Governmental Agency, dated as of January 3, 1990, said Governmental Agency has sold its Local Bonds to the Authority in the principal amount equal to the amount of the Loan set forth in B above, that such Governmental Agency is obligated to make Local Bonds Payments and to pay Fees and Charges in accordance with Section 9.09 of the General Resolution and that such Governmental Agency is not in default under any of the terms or provisions of said Loan Agreement.

I further certify that the Local Bonds Payments, the Supplemental Bonds Payments, and other moneys available therefor, will be sufficient to pay interest on and Principal Installments of the Bonds, the proceeds of which were used to fund the Loan Obligation, as such interest and Principal Installments come due.

The above certifications comply with Subsections 6.06(2)(a)(ii) and (v) of the General Resolution.

Barbara B. Meadows
Authorized Representative
West Virginia Water Development Authority

DATE: January 3, 1990

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto One Valley Bank, National Association, Charleston, West Virginia, the $664,013 Town of Marmet Sewer Revenue Bonds, Series 1990 A, numbered AR-1, and standing in the name of the West Virginia Water Development Authority on the books of said Governmental Agency.

Dated: January 3, 1990

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Barbara B. Meadows
Authorized Representative

CHARLES O. LORENSEN
TAX COMMISSIONER, CHAIRMAN

THOMAS E. LOEHR
TREASURER, SECRETARY

GLEN B. GAINER, JR.
AUDITOR, MEMBER

WEST VIRGINIA
MUNICIPAL BOND COMMISSION
SUITE 337 BUILDING 3
STATE CAPITOL COMPLEX
CHARLESTON, WV 25305
(304) 348-3971/72
DEPARTMENT OF TAX AND REVENUE

LARRY CHAPMAN
MEMBER

JOHN ROACH
MEMBER

R. WITTER HALLAN
EXECUTIVE DIRECTOR

October 23, 1989

Town of Marmet
Mr. John Poffenbarger
Hamb, Poffenbarger & Williams
P. O. Box 1671
Charleston, WV 25326

RE: City of Marmet 61 Sewer Revenue Bonds

Dear Mr. Poffenbarger:

On June 5, 1984, the City of Marmet authorized the Municipal Bond Commission to purchase US Treasury investments sufficient to defease all remaining principal and interest on their 1961 Sewer Revenue Bonds.

On June 15, 1984 the Commission purchased and currently holds in escrow $127,000 US Treasury Bonds at 11.5% due November 15, 1995 for this issue. The interest earnings and principal of these investments are sufficient to pay all remaining debt service on this issue and no additional deposits from the City will ever be necessary for this issue. A cash flow chart of this issue is attached.

Sincerely yours,

R. Witter Hallan
Executive Director

RWH/wb

xc: Mayor, City of Marmet

Enclosure

WV MUNICIPAL BOND COMMISSION
Suite 337 Building 3
State Capitol Complex
Charleston, WV 25305

MARMET 61 SEWER REVENUE

ACTUAL

Prepared By: R. W. [illegible] Date: 3/22/88
Reviewed By: Date: / /

Debt Service Due Month	Yr	Escrowed Invest. Matures Type	Date	Esc Int. Rate	1 US Treasury Escrowed Investments Purchased Par Value	2 Accrued Interest Paid	3 Total Cost Principal	4 Interest Earned Semi-Annual Gross	5 Net of State Treasury Fee	6 US Treasury Coupon Bonds Par Value	7 Discount Earned	8 3/4% State Treasury Fee	9 Net Escrowed Principal Maturing	10 Net Escrowed Interest Earned	11 Total Income	12 Debt Service Due	13 Cash Balance
		Opening Cash Balance:															1249000
JUL	84															1117250	131750
JAN	85													724773	724773	299250	557273
JUL	85													724773	724773	1099250	182796
JAN	86													724773	724773	281250	626319
JUL	86													724773	724773	1181250	169892
JAN	87													724773	724773	261000	633615
JUL	87													724773	724773	1161000	197388
JAN	88													724773	724773	240750	681411
JUL	88													724773	724773	1240750	165434
JAN	89													724773	724773	218250	671957
JUL	89													724773	724773	1218250	178480
JAN	90													724773	724773	195750	707503
JUL	90													724773	724773	1295750	136526
JAN	91													724773	724773	171000	690299
JUL	91													724773	724773	1271000	144072
JAN	92													724773	724773	146250	722595
JUL	92													724773	724773	1346250	101118
JAN	93													724773	724773	119250	706641
JUL	93													724773	724773	1319250	112164
JAN	94													724773	724773	92250	744087
JUL	94													724773	724773	1392250	77210
JAN	95													724773	724773	63000	738983
JUL	95													724773	724773	1463000	756
JAN	96	T-Bonds	15 Nov 95	11½	127000	123031	11362531	730250	724773	12700000	1337469	10031	12689969	724773	13414742	31500	13383938
JUL	96															1431500	11952438
PRINCIPAL - PAR					127000			730250	724773	12700000	1337469	10031	12689969	16669779	29359748	18656250	11952438
		-COST					11362531										
ACCRUED INTEREST PAID						123031	123031										
OPENING CASH							1249000										
TOTAL ESCROW COST							12734562										

CASH FLOW CHART

CORRECTED SCHEDULE - MARCH 22, 1988

1. ORIGINAL SCHEDULE MADE NO PROVISION FOR $1,360.02 IN STATE TREASURY SERVICE FEES ON INTEREST EARNED AND DISCOUNT EARNED.
2. OPENING CASH INCREASED BY $1,210.00 FROM INTEREST EARNINGS ALREADY IN THE ACCOUNT, AND FINAL REFUND REDUCED BY $150.02.

CHARLES O. LORENSEN
TAX COMMISSIONER, CHAIRMAN

THOMAS E. LOEHR
TREASURER, SECRETARY

GLEN B. GAINER, JR.
AUDITOR, MEMBER

WEST VIRGINIA
MUNICIPAL BOND COMMISSION

SUITE 337 BUILDING 3
STATE CAPITOL COMPLEX
CHARLESTON, WV 25305
(304) 348-3971/72

DEPARTMENT OF TAX AND REVENUE

LARRY CHAPMAN
MEMBER

JOHN ROACH
MEMBER

R. WITTER HALLAN
EXECUTIVE DIRECTOR

October 23, 1989

Mayor
City of Marmet
P. O. Box 15906
Marmet, WV 25315

RE: Marmet 61 Sewer Revenue

Dear Mayor:

In 1984, the City of Marmet authorized the Municipal Bond Commission to purchase certain US Treasury investments to escrow and defease the 1961 Sewer Revenue Bond issue. The T-Bonds purchased would pay all future debt service on this issue, and provide a refund to the City of $119,500 in July 1996.

Due to new US Treasury investments that were not available to us in 1984, and improved techniques, an alternative now exists for the City to consider.

The investments purchased by the Commission for $113,625.31 now have a market value of about $147,356.00. There is also a cash balance in the account of $2,920. The cash value of your account is therefore presently $150,276.

It is possible to reescrow this issue for about $79,821.67. This would involve the simultanious sale of your present investments and purchase of new investments. This would create a surplus in the account of about $70,454.33. This surplus would be refundable to the City now.

If the $70,454 were invested at current market rates of 8%, it would be worth about $119,500 in July 1996. Therefore no new money is being created by this reescrow. It simply offers the possibility of receiving $70,000 now rather than $119,000 in 1996 if the City should need these funds now.

I have attached a schedule showing the investments purchased and cash flow for the reescrow proposal. If this option interests you, please call me so that we can prepare an Escrow Resolution for this plan.

Sincerely yours,

R. Witter Hallan
Executive Director

RWH/wb

Enclosure

xc: Mr. John Poffenbarger

WV MUNICIPAL BOND COMMISSION
Suite 337 Building 3
State Capitol Complex
Charleston, WV 25305

MARMET 61 SEWER REV

Prepared By: R. [signature] Date: 10/20/89
Reviewed By: Date: / /

THUR OCT 19 89

Debt Service Due Month	Yr	Escrowed Invest. Matures Type	Date	Esc. Int. Rate	US Treasury Escrowed Investments Purchased Par Value	Unit Cost per $1,000	Total Cost Principal	Interest Earned Semi-Annual Gross	Net of State Treasury Fee	US Treasury 0% Coupon Bonds Par Value	Interest Earned	1 % State Treasury Fee	CASH FLOW CHART Net Escrowed Principal Maturing	Net Escrowed Interest Earned	Total Income	Debt Service Due	Cash Balance
Opening Cash Balance:																	1079.20
JAN	90													206477		195750	118647
JUL	90	T-NOTES	30 JUN	8	10000	99875	998750	40000	39600				1000000	206477		1295750	29374
JAN	91													166877		171000	25251
JUL	91	STRIPS	15 MAY	0	11000	88594	974531				125469	1255	1098745	166877		1271000	19873
JAN	92													166877		146250	40500
JUL	92	T-NOTES	30 JUN	8 1/4	12000	100719	1208625	49500	49005				1200000	166877		1346250	61127
JAN	93													117872		119250	59749
JUL	93	STRIPS	15 MAY	0	12000	75688	908250				291750	2918	1197082	117872		1319250	55453
JAN	94													117872		92250	81075
JUL	94	STRIPS	15 MAY	0	12000	69906	838875				361125	3611	1196389	117872		1392250	3086
JAN	95													117872		63000	57958
JUL	95	T-BONDS	15 MAY	10 3/8	13000	110375	1434875	67437	66763				1300000	117872		1463000	12830
JAN	96													51109		31500	32439
JUL	96	T-NOTES	15 MAY	7 3/8	14000	96688	1353625	51625	51109				1400000	51109		1431500	52048
PRINCIPAL - PAR					84000			208562	206477				9392216	1889912		10338000	52048
- COST							7717531										
ACCRUED INT PAID							156716										
OPENING CASH							1079.20										
TOTAL ESCROW COST							7982167										
					ACCRUED INTEREST PAID												
				90	112/184	40000	24348										
				92	112/184	49500	30130										
				95	158/184	67437	57908										
				96	158/184	51625	44330										
							156716										

WDA-4
(March 1988)

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

AMENDED APPLICATION FOR A CONSTRUCTION LOAN

1. Full legal name of Applicant: CITY OF MARMET
P. O. Box 15096, Marmet, WV 25315

2. Date of original Application for a Construction Loan (the "Original Application") (date signed by Applicant):
June 9, 1989

3. (a) Date bids for Project were received: April 11, 1989
(b) Expiration date of bids: November 9, 1989
(c) Attach copies of apparent responsible, acceptable low bids.

4. Complete attached Amended Schedule A: "Total Cost of Project and Sources of Funds," based on bids received. If construction of the Project has begun, indicate any changes to date from the cost of an sources of funds for the Project as bid. Revise and attach (as Amended Schedule B) a complete "Cash Flow Analysis" for the Project, based on bids received.

5. Set forth any other modifications to information included in or with the Original Application. Indicate to which paragraph of or exhibit to the Original Application the modified information applies.

* * * *

The undersigned, as a duly authorized representative of the Consulting Engineer, certifies that he has completed this Amended Application, including the exhibit documents attached, and consents to the use of such information by the Authority in connection with the financing of the Project.

(Signature)

Date: October 20, 1989

The undersigned officer of the Applicant hereby certifies to the West Virginia Water Development Authority that he is duly authorized to execute this Amended Application on behalf of the Applicant and that the information contained in this Amended Application and in the exhibit documents attached hereto is true, correct and complete to the best knowledge and belief of the undersigned.

Name of Applicant (Typed): Curtis W. Sutphin

By: (Signature) Curtis W. Sutphin

Title: Mayor

Date: 10/23/89, 19__

DATE: Oct. 20, 1989

AMENDED SCHEDULE A
NAME OF GOVERNMENTAL AGENCY: City of Marmet
TOTAL COST OF PROJECT AND SOURCES OF FUNDS

A. Cost of Project

1.	Construction & Equipment (60,000)	$ 2,096,115	
2.	Technical Services	$ 237,000	
3.	Legal and Fiscal	$ 14,000	
4.	Administrative & Bond Counsel (12,000)	$ 42,000	
5.	Site and Other Lands	$ 106,000	
6.	Step I and/or Step II Design or Other Loan Repayment (Specify Type: WDA Step I Loan)	$ 16,160	
7.	Interim Financing Costs	$ 65,000	
8.	Contingency	$ 101,805	
9.	Total of Lines 1 through 8		$ 2,678,080

B. Sources of Funds

10.	Federal Grants:[1] (Specify Source)	EPA	$ 1,202,990
11.	State Grants:[1] (Specify Source)	HUD CDBG	$ 680,000
12.	Other Grants:[1] (Specify Source)	Kanawha County Comm.	$ 100,000
13.	Any Other Source[2] (Specify)		
14.	Total of Lines 10 through 13		$ 1,982,990
15.	Proceeds Required from Bond Issue (Line 9 less Line 14)		$ 695,090

C. Cost of Financing

16.	Capitalized Interest (construction period plus six months)	$ -0- *	
17.	Funded Reserve Account[3]	$	
18.	Other Costs[4] WDA Bond Counsel Fee	$ 2,000**	
19.	Total Cost of Financing		$ -0-
20.	Size of Bond Issue (Line 15 plus Total from Line 19)		$ 695,090

* The City selected to enforce new rates within 90 days from approval from PSC and thus will generate funds to pay for capitalized interest when it becomes due.

** WDA Bond Counsel fee will be paid from project budget.

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

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

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

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

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

CITY OF MARMET	GHOSH ENGINEERS, INC.
APPLICANT	CONSULTING ENGINEER

AMENDED SCHEDULE B

OCTOBER, 1989

ESTIMATED CASH FLOW ANALYSIS

PERIOD	RECEIPTS					DISBURSEMENTS		
	WDA	KCC	HUD	EPA *	TOTAL *	WDA	OTHER	CONSTRUCTION
Design Allowance	0	7,228	120,000	63,572 *	190,800 *		190,800	
Step I Cost	16,160	26,000		*	42,160 *	16,160	26,000	
1	678,930	66,772	75,325	160,000 *	336,730 *	2,000	38,100	296,630
2			44,603	88,000 *	190,100 *		15,100	175,000
3			44,603	88,000 *	190,100 *		15,100	175,000
4			44,603	88,000 *	190,100 *		15,100	175,000
5			53,191	108,000 *	224,100 *		15,100	209,000
6			53,191	108,000 *	230,100 *		21,100	209,000
7			40,915	85,000 *	175,500 *		15,100	160,400
8			39,299	80,000 *	169,100 *		15,100	154,000
9			39,299	80,000 *	169,100 *		15,100	154,000
10			49,655	100,000 *	210,100 *		15,100	195,000
11			43,087	80,000 *	184,100 *		15,100	169,000
12			32,230	63,288 *	154,790 *		30,900	123,890
13				1,330 *	2,550 *		2,550	
14				1,330 *	2,550 *		2,550	
15				1,330 *	2,550 *		2,550	
16				1,330 *	2,550 *		2,550	
17				1,330 *	2,550 *		2,550	
18				1,330 *	2,450 *		2,450	
19				525 *	1,000 *		1,000	
20				525 *	1,000 *		1,000	
21				525 *	1,000 *		1,000	
22				525 *	1,000 *		1,000	
23				525 *	1,000 *		1,000	
24				525 *	1,000 *		1,000	
	695,090	100,000	680,000	1,202,990	2,678,080	18,160	464,000	2,195,920

AGREEMENT

THIS AGREEMENT, made this 6 day of November, 19 89, by and between City of Marmet (Name of Owner), (an individual), hereinafter called "OWNER"

and Hayslett Construction Co., Inc. doing business as (~~an individual,~~) ~~or (a partnership~~) or (a corporation) hereinafter called "CONTRACTOR".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR will commence and complete the construction of Contract-1; Wastewater Treatment Plant for Marmet & Chesapeake

2. The CONTRACTOR will furnish all of the material, supplies, tools, equipment, labor and other services necessary for the construction and completion of the PROJECT described herein.

3. The CONTRACTOR will commence the work required by the CONTRACT DOCUMENTS within 15 calendar days after the date of the NOTICE TO PROCEED and will complete the same within 360 calendar days unless the period for completion is extended otherwise by the CONTRACT DOCUMENTS.

4. The CONTRACTOR agrees to perform all of the WORK described in the CONTRACT DOCUMENTS and comply with the terms therein for the sum of $ 1,969,000, or as shown in the BID schedule.

5. The term "CONTRACT DOCUMENTS" means and includes the following:

(A) Advertisement For BIDS

(B) Information For BIDDERS

(C) BID

(D) BID BOND

(E) Agreement

(F) General Conditions

(G) SUPPLEMENTAL GENERAL CONDITIONS

(H) Payment BOND

(I) Performance BOND

(J) NOTICE OF AWARD with attached Letter of Understanding

(K) NOTICE TO PROCEED

(L) CHANGE ORDER

(M) DRAWINGS prepared by Ghosh Engineers, Inc.
numbered O & T -1 through T - 34, and dated March 7,
19 89

(N) SPECIFICATIONS prepared or issued by Ghosh Engineers, Inc.

dated March 7, 19 89

(O) ADDENDA:

No. 1, dated April 10, 19 89

No. _____, dated _____, 19_____

No. _____, dated _____, 19_____

No. _____, dated _____, 19_____

No. _____, dated _____, 19_____

No. _____, dated _____, 19_____

6. The OWNER will pay to the CONTRACTOR in the manner and at such times as set forth in the General Conditions such amounts as required by the CONTRACT DOCUMENTS.

7. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in (six) (Number of Copies) each of which shall be deemed an original on the date first above written.

OWNER:

City of Marmet

BY Curtis W. Sutphin

Name Curtis W. Sutphin
(Please Type)

Title Mayor

(SEAL)

ATTEST: Helen F. McCann

Name _____
(Please Type)

Title Clerk Sanitation Board

CONTRACTOR:

Hayslett Construction Co., Inc.

BY Walter T. Hayslett

Name Walter T. Hayslett
(Please Type)

Address P.O. Box 447
Hurricane, WV 25526

(SEAL)

ATTEST: James B. Yoak Jr.

Name James B. Yoak, Jr.
(Please Type)

NOTICE OF AWARD

To: Hayslett Construction Co., Inc.

P.O. Box 447

Hurricane, WV 25526

PROJECT Description: Contract-1

Marmet-Chesapeake Wastewater Treatment Plant

The OWNER has considered the BID submitted by you for the above described WORK in response to its Advertisement for Bids dated March 25, 19 89, and Information for Bidders.

You are hereby notified that your BID has been accepted for items in the amount of $ 1,969,000, subject to the attached Letter of Understanding.

You are required by the Information for Bidders to execute the Agreement and furnish the required CONTRACTOR'S Performance BOND, Payment BOND and certificates of insurance within ten (10) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said BONDS within ten (10) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this 6 day of November, 19 89.

Curtis W. Sutphin
Owner

By Curtis W. Sutphin

Title Mayor, City of Marmet

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged by Hayslett Construdtion Co., Inc.

this the 6 day of November, 19 89

By Walter T. Hayslett

Title President

LOUDERBACK & LOUDERBACK
ATTORNEYS AT LAW

TELEPHONE 343-8956
AREA CODE 304

408 TERMINAL BUILDING
NO. 8 CAPITOL STREET
CHARLESTON, W. VA. 25301

LETTER OF UNDERSTANDING

The undersigned, PIPE PLUS, INC., HAYSLETT CONSTRUCTION CO., INC. of Marmet do hereby acknowledge the understanding between themselves that the Notice of Award and Agreement duly granted and accepted on this date is made conditioned upon the occurrence of the following, upon completion of which the Notice to Proceed will be granted to the undersigned Contractors:

1. West Virginia Public Service Commissions' grant of the Certificate of Necessity and Convenience; and
2. Bond Counsel's closing of the Water Development Authority Loan on the subject project.

It is anticipated by all parties that the above conditions shall be completed on or before January 15, 1990.

Walter T. Hayslett
HAYSLETT CONSTRUCTION CO., INC

PIPE PLUS, INC.

Curtis W. Sulpakis
CITY OF MARMET

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: that

HAYSLETT CONSTRUCTION CO.
(Name of Contractor)

P. O. BOX 447, Hurricane, WV 25526
(Address of Contractor)

a Corporation, hereinafter called Principal,
(Corporation, Partnership or Individual)

and THE BUCKEYE UNION INSURANCE COMPANY
(Name of Surety)

Suite 1220, Grant Building, 330 Grant St., Pittsburgh, Pa. 15219
(Address of Surety)

hereinafter called Surety, are held and firmly bound unto

TOWNS OF MARMET AND CHESAPEAKE
(Name of Owner)

c/o Town of Marmet, Town Hall, Marmet, WV 25315
(Address of Owner)

hereinafter called OWNER, in the penal sum of * Dollars, $(1,969,000.00)

in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain contract with the OWNER, dated the 6th day of November 19 89, a copy of which is hereto attached and made a part hereof for the construction of:

CONTRACT 1 Marmet-Chesapeake Wastewater Collection System Improvements.

NOW, THEREFORE, if the Principal shall promptly make payment to all persons, firms, SUBCONTRACTORS, and corporations furnishing materials for or performing labor in the prosecution of the WORK provided for in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such WORK, and all insurance premiums on said WORK, and for all labor, performed in such WORK whether by SUBCONTRACTOR or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

* One Million, Nine Hundred Sixty Nine Thousand and No/100

PROVIDED, FURTHER, that the said Surety for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any wise affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in 6 (number) counterparts, each one of which shall be deemed an original, this the 6th day of November 19 89.

ATTEST:

James B. Yoak Jr.
(Principal) Secretary

(SEAL)

HAYSLETT CONSTRUCTION CO.
Principal

By Wilton J. Hayslett (s)

P.O. Box 447
(Address)

Hurricane, WV 25526

Roderick A. Caste
Witness as to Principal

P.O. BOx 447
(Address)

Hurricane, WV 25526

THE BUCKEYE UNION INSURANCE COMPANY
Surety

By
Attorney-in-Fact

P. O. Box 2466
(Address)

Charleston, WV 25311

ATTEST:

Janet Cantelmo
Witness as to Surety

1566 Kanawha Boulevard, East
(Address)

Charleston, WV 25329

NOTE: Date of BOND must not be prior to date of Contract.
If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State where the PROJECT is located.

Countersigned

West Virginia Resident Agent

The Buckeye Union Insurance Company

180 Maiden Lane, New York, New York 10038

GENERAL POWER OF ATTORNEY

Know all men by these Presents, That THE BUCKEYE UNION INSURANCE COMPANY has made, constituted and appointed, and by these presents does make, constitute and appoint

A. L. Stanchina or C. David Thomas or Richard L. Higginbotham or Janet Canterbury or George H. Friedlander or Roseanne Dye all of Charleston, WV

its true and lawful attorney, for it and in its name, place, and stead to execute on behalf of the said Company, as surety, bonds, undertakings and contracts of suretyship to be given to

All Obligees

provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

Unlimited Dollars.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the THE BUCKEYE UNION INSURANCE COMPANY on the 10th day of February, 1975:

RESOLVED, that the Chairman of the Board, Vice Chairman of the Board, the President, any Vice President, any Assistant Vice President or any Secretary be and each or any of them hereby is authorized to execute Powers of Attorney qualifying the attorney named in the given Power of Attorney to execute in behalf of THE BUCKEYE UNION INSURANCE COMPANY bonds, undertakings and all contracts of surety; and that any Assistant Vice President, Secretary or Assistant Secretary be and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney, and to attach thereto the seal of the Company, and

FURTHER RESOLVED, that the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of suretyship to which it is attached."

In Witness Whereof, THE BUCKEYE UNION INSURANCE COMPANY has caused its official seal to be hereunto affixed, and these presents to be signed by one of its Vice Presidents and attested by one of its Assistant Vice Presidents this 1st day of May, 1985.

THE BUCKEYE UNION INSURANCE COMPANY

Attest:

THE BUCKEYE UNION INSURANCE COMPANY CORPORATE SEAL OHIO

By

Robert W. Adler Sr.

Robert W. Adler, Sr., Assistant Vice President

Michael J. Beernaert

Michael J. Beernaert, Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 1st day of May, 1985, before me personally came Michael J. Beernaert, to me known, who being by me duly sworn, did depose and say that he is a Vice President of THE BUCKEYE UNION INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

ETHEL TARANTO NOTARY PUBLIC STATE OF NEW YORK

Ethel Taranto

ETHEL TARANTO
NOTARY PUBLIC, State of New York
No. 24-4663117 Qual. in Kings County
Commission Expires March 30, 1986

CERTIFICATE

I, the undersigned, an Assistant Vice President of THE BUCKEYE UNION INSURANCE COMPANY, an Ohio corporation, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney, is now in force.

Signed and sealed at the City of New York, in the State of New York. Dated the 6th day of November, 1989.

THE BUCKEYE UNION INSURANCE COMPANY CORPORATE SEAL OHIO

James M. Keane

James M. Keane, Assistant Vice President

STATE OF West Virginia, COUNTY OF Kanawha

I, Janet Canterbury, a Notary Public in and for the County and State aforesaid, do certify that Walter T. Hayslett, who signed the writing above, bearing date the 6th day of November, 19 89, for Hayslett Construction Co. (Corporation-Principal) has this day acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this 6th day of November, 19 89.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JANET CANTERBURY
1515 W. Central Avenue
Belle, West Virginia 25015
My Commission Expires May 28, 1990

My commission expires: May 28, 1990

Janet Canterbury
Notary Public

STATE OF West Virginia, COUNTY OF Kanawha

I, Janet Canterbury, a Notary Public in and for the County and State aforesaid, do certify that C. David Thomas, who signed the writing above, bearing date the 6th day of November, 19 89, as Attorney-in-Fact for The Buckeye Union Insurance Company (Surety) had this day acknowledged the same before me in my said County.

Given under my hand this 6th day of November, 19 89.

My commission expires: May 28, 1990

Janet Canterbury
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JANET CANTERBURY
1515 W. Central Avenue
Belle, West Virginia 25015
My Commission Expires May 28, 1990

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that

HAYSLETT CONSTRUCTION CO.
(Name of Contractor)

P. O. Box 447, Hurricane, WV 25526
(Address of Contractor)

a Corporation, hereinafter called Principal, and
(Corporation, Partnership, or Individual)

THE BUCKEYE UNION INSURANCE COMPANY
(Name of Surety)

Suite 1220, Grant Building, 330 Grant St., Pittsburgh, Pa. 15219
(Address of Surety)

hereinafter called Surety, are held and firmly bound unto

TOWNS OF MARMET AND CHESAPEAKE
(Name of owner)

c/o Town of Marmet, Town Hall, Marmet, WV 25315
(Address of Owner)

hereinafter called OWNER, in the penal sum of One Million, Nine Hundred Sixty Nine Thousand and No/100---------- Dollars, $(1,969,000.00)

in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain contract with the OWNER, dated the 6th day of November, 1989, a copy of which is hereto attached and made a part hereof for the construction of:

CONTRACT 1 Marmet-Chesapeake Wastewater Collection System Improvements.

NOW, THEREFORE, if the Principal shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term thereof, and any extensions thereof which may be granted by the OWNER, with or without notice to the Surety and during the one year guaranty period, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the OWNER from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the OWNER all outlay and expense which the OWNER may incur in making good any default, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any wise affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in 6 (Number) counterparts, each one of which shall be deemed an original, this the 6th day of November 1989.

ATTEST:

James B. Yoh Jr.
(Principal) Secretary

(SEAL) Roderick A. Casto
(Witness as to Principal)

P.O. Box 447
(Address)

Hurricane, WV 25526

HAYSLETT CONSTRUCTION CO.
Principal

By Walter T. Hayslett (s)

P. O. Box 447
(Address)

HURRICANE, WV 25526

THE BUCKEYE UNION INSURANCE COMPANY
Surety

ATTEST:

(Surety) Secretary

(SEAL)
Janet Canterbury
Witness as to Surety

1566 Kanawha Boulevard, East
(Address)

Charleston, WV 25311

By
Attorney-in-Fact

P. O. Box 2466
(Address)

Charleston, WV 25329

NOTE: Date of BOND must not be prior to date of Contract.
If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the PROJECT is located.

Countersigned

West Virginia Resident Agent

The Buckeye Union Insurance Company

180 Maiden Lane, New York, New York 10038

GENERAL POWER OF ATTORNEY

Know all men by these Presents, That THE BUCKEYE UNION INSURANCE COMPANY has made, constituted and appointed, and by these presents does make, constitute and appoint

A. L. Stanchina or C. David Thomas or Richard L. Higginbotham or Janet Canterbury or George H. Friedlander or Roseanne Dye all of Charleston, WV

its true and lawful attorney, for it and in its name, place, and stead to execute on behalf of the said Company, as surety, bonds, undertakings and contracts of suretyship to be given to

All Obligees

provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

Unlimited Dollars.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the THE BUCKEYE UNION INSURANCE COMPANY on the 10th day of February, 1975:

RESOLVED, that the Chairman of the Board, Vice Chairman of the Board, the President, any Vice President, any Assistant Vice President or any Secretary be and each or any of them hereby is authorized to execute Powers of Attorney qualifying the attorney named in the given Power of Attorney to execute in behalf of THE BUCKEYE UNION INSURANCE COMPANY bonds, undertakings and all contracts of surety; and that any Assistant Vice President, Secretary or Assistant Secretary be and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney, and to attach thereto the seal of the Company, and

FURTHER RESOLVED, that the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of suretyship to which it is attached."

In Witness Whereof, THE BUCKEYE UNION INSURANCE COMPANY has caused its official seal to be hereunto affixed, and these presents to be signed by one of its Vice Presidents and attested by one of its Assistant Vice Presidents this 1st day of May, 1985.

THE BUCKEYE UNION INSURANCE COMPANY

Attest:

THE BUCKEYE UNION INSURANCE COMPANY CORPORATE SEAL

By

Robert W. Adler, Sr., Assistant Vice President

Michael J. Beernaert, Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 1st day of May, 1985, before me personally came Michael J. Beernaert, to me known, who being by me duly sworn, did depose and say that he is a Vice President of THE BUCKEYE UNION INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

ETHEL TARANTO NOTARY PUBLIC STATE OF NEW YORK

ETHEL TARANTO
NOTARY PUBLIC, State of New York
No. 24-4663117 Qual. in Kings County
Commission Expires March 30, 1986

CERTIFICATE

I, the undersigned, an Assistant Vice President of THE BUCKEYE UNION INSURANCE COMPANY, an Ohio corporation, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney, is now in force.

Signed and sealed at the City of New York, in the State of New York. Dated the 6th day of November, 1989.

THE BUCKEYE UNION INSURANCE COMPANY CORPORATE SEAL

James M. Keane, Assistant Vice President

WC-E026
Rev. 7-87

CERTIFICATE OF COVERAGE

WEST VIRGINIA WORKERS' COMPENSATION FUND
601 MORRIS STREET, CHARLESTON, WV 25301

The West Virginia Workers' Compensation Commissioner hereby certifies that the employer identified hereon is a subscriber to the West Virginia Workers' Compensation Fund and has paid the required premium for the period indicated below and is subject to the duties and protection of the West Virginia Workers' Compensation Fund Law as provided by Chapter 23, **West Virginia Code**, as amended.

ACCOUNT NUMBER, NAME AND ADDRESS

121228100
HAYSLETT CONST
BOX 447
HURRICANE WV 25526

DATES 07/01/89 (ISSUED) 11/30/89 (EXPIRES)

SIGNATURE EMILY A. SPIELER
Commissioner Workers' Compensation Fund

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY): 11/06/89

PRODUCER

George H. Friedlander Co

PO Box 2466
1566 Kanawha Blvd. E.
Charleston WV 25329 2466

CODE | SUB-CODE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	U. S. F. & G. Co.
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

Hayslett Construction Co., Town of Marmet and Chesapeake and all Subcontractors, ATIMA
C/O Hayslett Construction Co.
P. O. Box 447
Hurricane, WV 25526

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS
	GENERAL LIABILITY				GENERAL AGGREGATE $
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OPS AGGREGATE $
	CLAIMS MADE / OCCUR.				PERSONAL & ADVERTISING INJURY $
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE $
					FIRE DAMAGE (Any one fire) $
					MEDICAL EXPENSE (Any one person) $
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT $
	ANY AUTO				BODILY INJURY (Per person) $
	ALL OWNED AUTOS				BODILY INJURY (Per accident) $
	SCHEDULED AUTOS				PROPERTY DAMAGE $
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE $ / AGGREGATE $
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY / $ (EACH ACCIDENT) / $ (DISEASE—POLICY LIMIT) / $ (DISEASE—EACH EMPLOYE
A	OTHER Builder's Risk/ Installation Floater	10-2647	To be determined based upon notice to proceed to contractor.		Amt. of Ins: $1,969,000. Broad Form Coverage subject to policy terms & $1,000. Deductible

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

Marmet-Chesapeake Collection System Improvements - Contract 1

(Revised certificates to be filed upon notice to proceed.)

CERTIFICATE HOLDER

Towns of Marmet and Chesapeake
c/o Town of Marmet
Town Hall
Marmet, WV 25315

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Richard L. Higginbotham

©ACORD CORPORATION 19

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY): 11/01/89

PRODUCER

George H. Friedlander Company
1566 Kanawha Blvd. East
P. O. Box 2466
Charleston, WV. 25329

CODE SUB-CODE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A: U. S. F. & G.
COMPANY LETTER B:
COMPANY LETTER C:
COMPANY LETTER D:
COMPANY LETTER E:

INSURED

Hayslett Construction Co.
P.O. Box 447
Hurricane, WV 25526

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR. OWNER'S & CONTRACTOR'S PROT.	1MP11056866700	01/15/89	01/15/90	GENERAL AGGREGATE PRODUCTS-COMP/OPS AGGREGATE PERSONAL & ADVERTISING INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MEDICAL EXPENSE (Any one person)	$ 2000 $ 2000 $ 1000 $ 1000 $ 50 $ 5
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS GARAGE LIABILITY	1AB11179414400	01/15/89	01/15/90	COMBINED SINGLE LIMIT $ 1000 BODILY INJURY (Per person) $ BODILY INJURY (Per accident) $ PROPERTY DAMAGE $	
A	EXCESS LIABILITY X OTHER THAN UMBRELLA FORM	1MP11056866700	01/15/89	01/15/90	EACH OCCURRENCE $ 5000	AGGREGATE $ 5000
A	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY	1MP11056866700	01/15/89	01/15/90	STATUTORY $ 500 (EACH ACCIDENT) $ 500 (DISEASE—POLICY LIMIT) $ 500 (DISEASE—EACH EMPLOYE	
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

Marmet-Chesapeake Wastewater Collection System Improvements
Contract 1

CERTIFICATE HOLDER

Towns of Marmet and Chesapeake
c/o Town of Marmet
Town Hall
Marmet, WV 25315

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE: Richard L. Higginbotham

© ACORD CORPORATION 19

AGREEMENT

THIS AGREEMENT, Made the 23 day of March, 1989, by and between the CITY OF MARMET, WEST VIRGINIA, a municipal corporation, hereinafter referred to as CITY, and the SANITARY BOARD OF THE TOWN OF MARMET, WEST VIRGINIA, a public corporation, hereinafter referred to as BOARD, and the CITY OF CHESAPEAKE, WEST VIRGINIA, hereinafter referred to as CHESAPEAKE, and the SANITARY BOARD OF THE TOWN OF CHESAPEAKE, a public body, hereinafter referred to as CHESAPEAKE BOARD.

WITNESSETH:

WHEREAS, the CITY owns, and the BOARD is responsible for the operation of, a sanitary sewer system and waste water treatment plant for which improvements are planned with the capability of providing secondary treatment levels as established by the United States Environmental Protection Agency and the West Virginia Department of Natural Resources; and

WHEREAS, CHESAPEAKE owns a sanitary sewer system and waste water treatment plant and which is operated by CHESAPEAKE BOARD; and

WHEREAS, the CITY proposes to construct a waste water treatment plant with adequate design capacity to treat the sewage of CHESAPEAKE and CITY, and the CITY agrees to reserve an adequate portion of the design capacity for use by CHESAPEAKE and CHESAPEAKE BOARD, subject to the terms set forth herein; and

WHEREAS, CHESAPEAKE and CHESAPEAKE BOARD desire to connect to the CITY'S treatment plant and to be provided with

secondary treatment of waste water at the CITY'S treatment plant, and,

NOW, THEREFORE, in consideration of the recitals, the parties do hereby agree with one another as follows:

1. The BOARD shall receive, treat and dispose of the waste water from CHESAPEAKE and CHESAPEAKE BOARD at the Board's Waste Water Treatment Plant, which is operated by the BOARD. The BOARD shall maintain responsibility for discharge of treated waste water in accordance with State and Federal laws and regulations; CHESAPEAKE and CHESAPEAKE BOARD shall not be liable for fines or penalties as a result of discharge violations resulting from improper operation of Board's Waste Water Treatment Plant; provided, however, CHESAPEAKE and CHESAPEAKE BOARD shall be liable for any fine and/or penalty incurred as a result of discharge violations occurring at the Waste Water Treatment Plant that are a direct result of the introduction of prohibited materials into the CHESAPEAKE and CHESAPEAKE BOARD collection system.

2. CHESAPEAKE and CHESAPEAKE BOARD shall maintain at its sole cost, a sanitary sewer system meeting generally accepted sanitary engineering standards which will collect and transport sewage from within the boundaries of CHESAPEAKE to the CITY'S treatment plant; provided, however, that the cost of designing, construction, installing, maintaining and replacing the sewage collection line from CHESAPEAKE to CITY'S treatment plant shall

be allocated on the basis of waste water flow as hereinafter provided.

3. CHESAPEAKE and CHESAPEAKE BOARD'S waste water is to be metered in a manner and with equipment satisfactory to the BOARD. The costs of the meter shall be recognized by the parties hereto as a capital expenditure and be prorated between the CITY and CHESAPEAKE. The costs of maintaining, repairing and replacing said meter shall likewise be prorated between CITY and CHESAPEAKE as hereinafter provided. In the event of a malfunction of the meter, the monthly fee payable by CHESAPEAKE to CITY shall be based on comparable historical usage adjusted by any change in customers.

4. CHESAPEAKE and CHESAPEAKE BOARD agree that they will pay CITY and BOARD a proportionate share of the capital costs to construct the new sewage treatment plant. Such costs include debt service and coverage for revenue bonds to pay the actual costs of construction, engineering fees, legal fees, land and right of way acquisition, bond sale costs and other related expenses, which are not allowable for EPA participation. The proportion of those costs and other related costs will be based upon the design flow from CITY and CHESAPEAKE which are 320,000 gallons per day from MARMET and 440,000 gallons per day from CHESAPEAKE. CHESAPEAKE and CHESAPEAKE BOARD'S share will be 42.11% of the annual debt service and coverage costs and will be payable in twelve (12) equal monthly payments during the year. The annual capital costs allocated to CITY and CHESAPEAKE shall

be adjusted on a yearly basis according to the most recent year's actual waste water flow. It is agreed by and between the parties hereto that prior to the initial operation of the waste treatment plant, the CITY and BOARD and CHESAPEAKE and CHESAPEAKE BOARD shall have an engineering study performed to determine the actual daily flow of waste water anticipated to be treated at CITY'S treatment plant. Such study shall be conducted simultaneously in the CITY and CHESAPEAKE during the period 1986 and the percentages of waste water flow determined therefrom, in relation to the total capacity and design of the waste water treatment plant, shall determine the % of capital costs of construction and operation expenses to be borne by CITY and CHESAPEAKE as set forth in this paragraph and the next paragraph of this Agreement.

5. CHESAPEAKE and CHESAPEAKE BOARD agree that they will pay CITY and MARMET BOARD their proportionate share of the operating and maintenance costs of CITY'S and BOARD'S treatment plant on the % basis established in the preceding paragraph, such fee to be stated on the basis of $0.2757 per 1,000 gallons of flow, the items of cost to be used in making such calculation to be those set forth on Attachment "A" and "B" hereto.

6. It is understood and agreed by and between the parties hereto that the aforesaid monthly payments of operating costs and capital costs shall be billed and paid by CHESAPEAKE and CHESAPEAKE BOARD as one monthly payment as hereinafter provided.

7. CHESAPEAKE and CHESAPEAKE BOARD will pay, and will protect, indemnify and save the BOARD and the CITY harmless from and against all liabilities, losses, damages, costs and expenses (including attorney fees and expenses of the BOARD and CITY), causes of actions, suits, claims, demands and judgments of any nature arising from:

(1) any injury to or death of any person or damage to property in or upon CHESAPEAKE and CHESAPEAKE BOARD'S property or facilities, or growing out of or connected with the use, non-use, condition or occupancy of the said CHESAPEAKE and CHESAPEAKE BOARD'S property or facilities or a part thereof; such injuries and/or damage shall include any and all injuries or damage which may occur due to any failure or malfunction of CHESAPEAKE and CHESAPEAKE BOARD'S lift stations caused by any flood, hailstorm, windstorm, Act of God, and any and all unprecedented meteorological events; and repairs, construction or alterations or remodeling thereto as performed by CHESAPEAKE and CHESAPEAKE BOARD or their authorized agents or servants, excluding the BOARD or its agents or servants, or the condition of CHESAPEAKE and CHESAPEAKE BOARD'S property or facilities

including sidewalks, streets or alleys and any equipment or facilities at any time located on CHESAPEAKE and CHESAPEAKE BOARD'S property or under CHESAPEAKE and CHESAPEAKE BOARD'S control and used in connection therewith;

(2) violation of any agreement, warranty, covenant or condition of this Agreement, except by the BOARD and the CITY;

(3) violation of any contract, agreement or restriction by CHESAPEAKE and CHESAPEAKE BOARD relating to CHESAPEAKE and CHESAPEAKE BOARD'S property or facilities, which shall have existed at the commencement of the Agreement; and

(4) violation of any law, ordinance, regulation or court order affecting CHESAPEAKE and CHESAPEAKE BOARD'S property or facilities or a part thereof or the ownership, occupancy or use thereof.

8. The parties to this agreement mutually agree that each CITY and BOARD and CHESAPEAKE and CHESAPEAKE BOARD shall be totally responsible for its existing collection systems, including all future maintenance and expansions of said collection systems, provided, however, that the cost of constructing the initial line from each of the TOWN'S boundaries

to the CITY'S waste water treatment plants shall be considered costs of construction and capitalized.

9. CHESAPEAKE and CHESAPEAKE BOARD agree that they shall not allow non-domestic waste to be introduced into its property or facilities, including its sanitary sewer collection system.

10. The BOARD shall have no duties or responsibilities for soliciting, enforcing or compelling payment of delinquent accounts due CHESAPEAKE or CHESAPEAKE BOARD.

11. The BOARD shall invoice CHESAPEAKE and CHESAPEAKE BOARD for all services on a monthly basis and CHESAPEAKE and CHESAPEAKE BOARD shall pay such invoices within thirty (30) days of receipt.

12. Rates and charges imposed upon CHESAPEAKE and CHESAPEAKE BOARD shall be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing the service of sewage treatment, as allocated upon the basis of waste water flow.

13. The parties hereto, upon request of the other, shall provide one another with financial reports and related information pertinent to the operation of each others sewage treatment plant including but not limited to full details as the % of capital costs and maintenance and operation expenses allocable to CHESAPEAKE and CHESAPEAKE BOARD by CITY and MARMET BOARD. Such information shall be made available to the

requesting party within thirty (30) days after notice is received of the request by the other party.

14. The parties hereto shall meet, at least semi-annually, at a mutually agreed upon time and location, to discuss business, rates, communications, complaints, suggestions, etc., between the parties.

15. CHESAPEAKE BOARD shall perform its own service, maintenance, repairs, billing or collecting.

16. In the event the new sewage treatment plant should be abandoned or cease to be used for a sewage treatment facility in the future, then the real estate and equipment shall be sold, with the proceeds from such sale being applied to any indebtedness and the balance to be shared equally between the respective parties to this Agreement.

IN WITNESS WHEREOF, the parties have made and executed this Agreement by their appropriate offices as of the day and year first above written.

SANITARY BOARD OF THE
CITY OF MARMET

By Curtis W. Sutphin
Chairman

CITY OF MARMET

By Curtis W. Sutphin
Mayor

(signatures continued page 9)

SANITARY BOARD OF THE
CITY OF CHESAPEAKE

By _____
Chairman

CITY OF CHESAPEAKE

By _____
Mayor

ATTACHMENT "A"

A. General Scope of Services and Cost Items

The following Costs or Budget Items will be shared by City and Board and Chesapeake and Chesapeake Board on prorated basis as follows:

Prior to the initial operation of the waste treatment plant, City and Board and Chesapeake and Chesapeake Board shall have an engineering study performed to determine the actual average daily flow of water anticipated to be treated at said plant. For the first year of operation, cost per gallon of treated waste will be prorated on the percentage established by this study. Each subsequent year, the rates shall be adjusted, if necessary, to be prorated on an actual gallon treated for the proceeding year.

1. Collection System from downstream side of City and Board and Chesapeake and Chesapeake Board meter only

a. Operation Supervision and Engineering
b. Operation and Maintenance Labor
c. Supplies and Expense
d. Total

2. Pumping System from downstream side of City and Board and Chesapeake and Chesapeake Board meter only

a. Operation Supervision and Engineering
b. Operation Labor
c. Power and Fuel
d. Supplies and Expense
e. Maintenance Power Pump Equipment
f. Maintenance Other Pump Equipment
g. Total

3. Treatment and Disposal

a. Operation Supervision and Engineering
b. Operation Labor
c. Supplies and Expense
d. Chemicals
e. Maintenance Equipment
f. Total

4. Administration of waste treatment plant only

a. Salaries
b. Other General Office Salaries
c. Supplies and Expenses
d. Board Members Fees
e. Special Service and Audits
f. Legal Service

g. Regulatory Commission Expense
h. Insurance and Bonding
i. Workers' Compensation
j. FICA, etc., taxes (Unemployment compensation)
k. Retirement
l. Miscellaneous
m. Utilities
n. Rent
o. Total Administration

5. Total Operation

B. Capital Expenditures When Life of Item(s) Exceeds One Year

Major Capital Item Expenditures

The City and Board will be making major capital expenditures to its Waste Water Treatment Plant. Said costs will be prorated between City and Board and Chesapeake and Chesapeake Board based on water waste flows contributed by each party at the point of impact as set forth above. Chesapeake and Chesapeake Board shall be billed on the prorated basis for the cost of construction and amortization of said indebtedness until amortized. The reimbursement of said amortization costs shall be continued by Chesapeake and Chesapeake Board until amortized, even if said service for which items is required is discontinued at the request of Chesapeake and Chesapeake Board.

ATTACHMENT "B"

MARMET - CHESAPEAKE
WASTEWATER SYSTEM IMPROVEMENTS
PROJECT COST AND FINANCING

CONSTRUCTION COSTS: February, 1989

DESCRIPTION	TOTAL COST	75% ELIGIBLE	55% ELIGIBLE	75% EPA GRANT	55% EPA GRANT	LOCAL SHARE
Contract "1"						
Treatment Unit	731,585	731,585	0	548,689	0	182,896
Sludge Holding Tanks	64,712	64,712	0	48,534	0	16,178
Sludge Dewatering	198,307	0	198,307	0	109,069	89,238
Administration Building	28,800	23,040	5,760	17,280	3,168	8,352
Equipment Building	17,920	5,914	12,006	4,435	6,604	6,881
Yard Piping	56,970	8,610	48,360	6,458	26,598	23,915
Flow Monitoring System	10,000	0	10,000	0	5,500	4,500
Site Work	100,000	80,000	20,000	60,000	11,000	29,000
Site & Other Electrical	80,000	56,000	24,000	42,000	13,200	24,800
Paving & Sub Base	54,180	0	54,180	0	29,799	24,381
Fencing (1240')	24,800	0	24,800	0	13,640	11,160
Headwall	2,000	0	2,000	0	1,100	900
Conn. To Cont. 2	2,000	0	2,000	0	1,100	900
Power Generator	12,000	12,000	0	9,000	0	3,000
Plant Pump Station	15,000	0	15,000	0	8,250	6,750
Demolition of Treatment Plants	80,000	0	80,000	0	44,000	36,000
Landscaping	10,000	0	10,000	0	5,500	4,500
TOTAL FOR CONTRACT #1	$1,488,274	$981,861	$506,413	$736,395	$278,527	$473,351

DESCRIPTION	TOTAL COST	75% ELIGIBLE	55% ELIGIBLE	75% EPA GRANT	55% EPA GRANT	LOCAL SHARE
Contract "2"						
**********						
8" PVC Force Main (4500')	72,000	0	72,000	0	39,600	32,400
8" PVC Force Main Replacement (1225')	26,950	0	26,950	0	14,823	12,128
Conn. to exist. system	3,000	0	3,000	0	1,650	1,350
Force Main Cleanout (5)	2,500	0	2,500	0	1,375	1,125
Air Release Valves (3)	4,500	0	4,500	0	2,475	2,025
8" Gate Valves (2)	1,500	0	1,500	0	825	675
3" Gate Valve (1)	300	0	300	0	165	135
16" Casing (B & J) (40')	4,400	0	4,400	0	2,420	1,980
8" Creek Crossing	6,000	0	6,000	0	3,300	2,700
81 St Pump Stn. Renovation	6,000	0	6,000	0	3,300	2,700
87 St Pump Stn. Renovation	10,000	0	10,000	0	5,500	4,500
87 Street Bypass	12,000	0	12,000	0	6,600	5,400
95 St Pump Stn. Renovation	15,000	0	15,000	0	8,250	6,750
Chesapeake Pump Station Renovation	15,000	0	15,000	0	8,250	6,750
10" Gate Valve Bypass Assembly	3,000	0	3,000	0	1,650	1,350
TOTAL FOR CONTRACT #2	182,150	0	182,150	0	100,183	81,968
TOTAL CONSTRUCTION COST	$1,670,424	$981,861	$688,563	$736,395	$378,710	$555,319
Contingencies 10%	$167,042	$98,188	$68,855	$73,641	$37,870	$55,532
TOTAL CONSTRUCTION	$1,837,466	$1,080,048	$757,418	$810,036	$416,580	$610,850

** NOTE **

(1) Prorated Share of Conventional Construction = 41.22 %

(2) Prorated Share of I/A Construction = 58.78 %

(3) Construction Contingency is prorated as above.

OTHER COSTS

DESCRIPTION	TOTAL COST	75% ELIGIBLE	55% ELIGIBLE	75% EPA GRANT	55% EPA GRANT	LOCAL SHARE
Legal	14,000	0	0	0	0	14,000
Administrative (RIC)	16,000	0	0	0	0	16,000
Administrative	14,000	7,700	6,300	5,775	3,465	4,760
Bond Counsel	12,000	0	0	0	0	12,000
Basic Engineering	90,000	59,807	41,940	44,855	23,067	22,078
Inspection & Site Engg.	131,200	77,119	54,081	57,840	29,744	43,616
Special Services	15,800	0	0	0	0	15,800
Site & R/W	106,000	0	0	0	0	106,000
Equipment	60,000	0	60,000	0	33,000	27,000
Interest During Const.	65,000	0	0	0	0	65,000
Step I Loan	16,160	0	0	0	0	16,160
Sub Total	$540,160	$144,626	$162,321	$108,470	$89,276	$342,414
TOTAL PROJECT COST	$2,377,626	$1,224,674	$919,739	$918,506	$505,856	$953,264

PROJECT FINANCING:
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Total Project Cost		$2,377,626
Total EPA Grant	$1,424,362	
CDBG Grant	$680,000	
KCC Grant	$100,000	
Total Grant	$2,204,362	
Total Local Share		$173,264

ANNUAL O&M COST AND USERS CHARGE ANALYSIS

Design Flows:

Average Daily Flow, Marmet, gpd	440,000	57.89 %
Average Daily Flow, Chesapeake, gpd	320,000	42.11 %
Total Average Daily Flow	760,000	

Number of Users:

Marmet	734
Chesapeake	802
Total	1,536

O&M Cost for Treatment Only:

Salaries	27,000
Payroll Taxes	3,540
Employee Pension Plan	2,835
Employee Health Benefit	3,600
Materials & Supplies	7,500
Utilities	25,000
Outside Testing	2,000
Equipment Replacement	3,000
Miscellaneous	2,000
Annual O&M Cost	$76,475

Annual Bond Payment

Total Local Share	$173,264	
Annual Bond Payment (89%, 38 years) =		$14,647.57
Bond Coverage 15% =		$2,197.13
Total Annual Bond Payment		$16,844.70

Treatment Cost per 1000 Gallons =
[(63,500+16,844.70) / (365 * 760)] = $0.3364

Based on 440,000 Gallons of Flow from Marmet
Annual Cost of Treatment = ($0.29 * 440 * 365) = $54,027.19

Based on 320,000 Gallons of Flow from Chesapeake
Annual Cost of Treatment = ($0.29 * 320 * 365) = $39,292.51