

**MARSHALL COUNTY SEWERAGE DISTRICT**

**Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B**

**Date of Closing: November 26, 1990**

**BOND TRANSCRIPT**

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**MARSHALL COUNTY SEWERAGE DISTRICT**  
**SEWER REVENUE BONDS,**  
**SERIES 1990 A AND SERIES 1990 B**  
**and**  
**INTERIM CONSTRUCTION FINANCING**

**BOND AND NOTES RESOLUTION**

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MARSHALL COUNTY SEWERAGE DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF MARSHALL COUNTY SEWERAGE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, AND NOT MORE THAN \$500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF MARSHALL COUNTY SEWERAGE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Marshall County Sewerage District (the "Issuer") is a public service district and political subdivision of the State of West Virginia in Marshall County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting of acquisition and construction of small diameter gravity lines, force mains, septic tanks, pumps and lift stations, together with all appurtenant facilities (collectively, the "Project") which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing sewerage facilities, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of \$1,475,378, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than \$400,000 in two series, being the Series 1990 A Bonds in the aggregate principal amount of not more than \$300,000, and the Series 1990 B Bonds in the aggregate principal amount of not more than \$100,000 (collectively, the "Original Bonds"), and (at the option of the Issuer) to issue its sewerage system bond anticipation notes prior to issuance of the Original Bonds and contemporaneously therewith, or as soon as practicable thereafter, to issue its sewerage system grant anticipation notes, and/or a note or notes evidencing a line of credit, or any combination of the foregoing (collectively, the "Notes") in the aggregate principal amount of not more than \$500,000 to temporarily finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes during the term thereof and upon the Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering and legal expenses; expenses for estimates of

costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

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

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

<u>Designation</u>	<u>Lien Position</u>
Sewer Revenue Bonds, Series 1987 A, dated March 18, 1987, issued in the original aggregate principal amount of \$89,940 (the "Series 1987 A Bonds")	First Lien
Sewer Revenue Bonds, Series 1990 A (the "Series 1990 A Bonds")	First Lien
Sewer Revenue Bonds, Series 1987 B, dated March 18, 1987, issued in the original aggregate principal amount of \$22,060 (the "Series 1987 B Bonds")	Second Lien
Sewer Revenue Bonds, Series 1990 B (the "Series 1990 B Bonds")	Second Lien

The Series 1987 A Bonds and Series 1990 A Bonds are hereinafter collectively called the "First Lien Bonds" and the Series 1987 B Bonds and Series 1990 B Bonds are hereinafter collectively called the "Second Lien Bonds." The Series 1987 A Bonds and the Series 1987 B Bonds are hereinafter collectively called the "Prior Bonds."

The Series 1990 A Bonds shall be issued on parity with the Series 1987 A Bonds, and senior and prior to the Series 1990 B Bonds and the Series 1987 B Bonds with respect to liens, pledges and sources of and security for payment and in all other respects. The Series 1990 B Bonds shall be issued on parity with the Series 1987 B Bonds, and junior and subordinate to the Series 1987 A Bonds and the Series 1990 A Bonds with respect to liens, pledges and sources of and security for payment and in all other respects. The Grant Anticipation Notes, if issued, will not be payable from the Net Revenues, but shall be payable from Grant Receipts, Surplus Revenues and proceeds of a letter of credit, if any, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes. The Bond Anticipation Notes, if issued, will be payable from the proceeds of the Bonds and Net Revenues, if necessary, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Bonds and the Notes, or will have so complied prior to issuance

of any thereof, including, among other things, the obtaining of a Certificate of Public Convenience and Necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or any of the Notes or such final order will not be subject to appeal.

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

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

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

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

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

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly appointed by the Governing Body.

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

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

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

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

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

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

"Series 1987 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1987 A, dated March 18, 1987, issued in the original aggregate principal amount of \$89,940, of which \$89,165 is currently Outstanding.

"Series 1987 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1987 B, dated March 18, 1987, issued in the original aggregate principal amount of \$22,060, of which \$20,899.08 is currently Outstanding.

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

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

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

"Consulting Engineers" means Vaughn Consultants, Inc., St. Clairsville, Ohio, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of acquisition and construction of the Project.

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

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

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

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

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

"Grant" means the EPA Grant.

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

"Grant Receipts" means all moneys received by the Issuer on account of any Grant after the date of issuance of any grant anticipation notes; provided that, "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and

reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

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

"Issuer" means Marshall County Sewerage District, in Marshall County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement, to be entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 1990 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1990 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the

Original Bonds and is not acquired in order to carry out the governmental purpose of the Original Bonds.

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

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

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

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by the Indenture.

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

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

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than \$300,000 in aggregate principal amount of Series 1990 A Bonds and the not more than \$100,000 in aggregate principal amount of Series 1990 B Bonds, issued for the purpose of paying a portion of the Costs of the Project

and for such other purposes permitted and authorized by this Bond Legislation.

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

"Other Grants" means any other grant other than the EPA Grant hereafter received by the Issuer to aid in financing any Costs.

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

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

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

"Prior Bonds" means, collectively, the two series of Sewer Revenue Bonds of the Issuer, both dated March 18, 1987, issued in the original aggregate principal amount of \$112,000, of which \$110,064.08 remains outstanding as of the date of adoption of this Resolution.

"Prior Resolution" means, collectively, the resolutions of the Issuer adopted March 16, 1987, authorizing the Prior Bonds.

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

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

"Project" means the acquisition and construction of certain additions, betterments and improvements for the existing sewerage system of the Issuer, consisting generally of acquisition and construction of small diameter gravity lines, force mains, septic tanks, pumps and lift stations, together with all appurtenant facilities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Series 1990 B Bonds" or "Series B Bonds" means the not more than \$100,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 B, of the Issuer.

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

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

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

"State" means the State of West Virginia.

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

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

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION  
OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of \$1,475,378, 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 Bonds. For the purposes of capitalizing interest on the Series 1990 A Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Original Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than \$400,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1990 A," in the aggregate principal amount of not more than \$300,000, and "Sewer Revenue Bonds, Series 1990 B," in the aggregate principal amount of not more than \$100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Grant Anticipation Notes, if any. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

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

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount

equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

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

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

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

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

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

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

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

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

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Reserve Accounts. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of all the Series 1990 A Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, senior and prior to the lien on Net Revenues in favor of the Holders of the Series 1987 B Bonds and Series 1990 B Bonds, and on parity with the lien on Net Revenues in favor of the Holders of the Series 1987 A Bonds. The payment of the debt service of all the Series 1990 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, on parity with the lien on such Net Revenues in favor of the Holders of the Series 1987 B Bonds but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1987 A Bonds and Series 1990 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein, and the Renewal and Replacement Fund, either existing or hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

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

[Form of Series 1990 A Bond]

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
MARSHALL COUNTY SEWERAGE DISTRICT  
SEWER REVENUE BOND,  
SERIES 1990 A

No. AR- \_\_\_\_\_

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

KNOW ALL MEN BY THESE PRESENTS: That MARSHALL COUNTY SEWERAGE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Marshall County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), in installments on October 1 of each year, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning \_\_\_\_\_ 1, 19 \_\_\_\_\_. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

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

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) [to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; (iv)] to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on \_\_\_\_\_, 19\_\_ and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 19\_\_ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 A, DATED MARCH 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$89,940 (THE "SERIES 1987 A BONDS").

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

(i) SEWER REVENUE BONDS, SERIES 1987 B, DATED MARCH 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$22,060 (THE "SERIES 1987 B BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1990 B, ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$\_\_\_\_\_ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived

from the operation of the System, on parity with the pledge of Net Revenues in favor of the holders of the Series 1987 A Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1990 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1990 B Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1990 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1990 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1990 B Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds or the Series 1990 B Bonds, including the Series 1987 A Bonds, provided however, that so long as there exists in the Series 1990 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1990 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1990 B Bonds, including the Series 1987 A Bonds and the Series 1987 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, MARSHALL COUNTY SEWERAGE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated \_\_\_\_\_, 19\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

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

ONE VALLEY BANK, NATIONAL ASSOCIATION,  
as Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:  
  
\_\_\_\_\_

[Form of Series 1990 B Bond]

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
MARSHALL COUNTY SEWERAGE DISTRICT  
SEWER REVENUE BOND,  
SERIES 1990 B

No. BR-\_\_

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

KNOW ALL MEN BY THESE PRESENTS: That MARSHALL COUNTY SEWERAGE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Marshall County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

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

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

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16,

Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on \_\_\_\_\_, 19\_\_ and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 19\_\_ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

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

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

(ii) SEWER REVENUE BONDS, SERIES 1987 A, DATED MARCH 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$89,940 (THE "SERIES 1987 A BONDS").

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 B, DATED MARCH 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$22,060 (THE "SERIES 1987 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1987 A Bonds and the Series 1990 A Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1990 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1990 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, the Series 1987 A Bonds, the Series 1990 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Series 1987 B Bonds, provided however, that so long as there exists in the Series 1990 B Bonds Reserve Account and the reserve account established for the Series 1990 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Series 1990 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Series 1987 A Bonds and the Series 1987 B Bonds, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

Bonds, which lien is subordinate to the lien in favor of the registered owner of the Series 1990 A Bonds.

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

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

IN WITNESS WHEREOF, MARSHALL COUNTY SEWERAGE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated \_\_\_\_\_, 19\_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

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

ONE VALLEY BANK, NATIONAL ASSOCIATION,  
as Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:

\_\_\_\_\_

Section 3.10. Sale of Original Bonds; Approval and Ratification of Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved ratified and confirmed.

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

## ARTICLE IV

### INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts or issuance of the Bonds, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed \$500,000. The Notes may be in the form of bond anticipation notes, grant anticipation notes and/or as evidence of a line of credit from a commercial bank or other lender, or any combination of the foregoing, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture and/or supplemental resolution, as applicable.

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

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Bonds or the Net Revenues (if issued in the form of bond anticipation notes) or the Grant Receipts, the Surplus Revenues, the letter of credit proceeds and other sources described in the Indenture or supplemental resolution (if issued in the form of grant anticipation notes or a line of credit). The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture and the Supplemental Resolution.

Section 4.04. Letters of Credit. As additional security for any Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree

to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed \$500,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter or letters of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Resolution);
- (2) Renewal and Replacement Fund (established by the Prior Resolution);
  - (a) Within the Renewal and Replacement Fund, the I & A Renewal and Replacement Reserve Account (established by the Prior Resolution); and
  - (b) The I & A New Connection Reserve Account (established by the Prior Resolution);
- (3) Bond Construction Trust Fund; and
- (4) Rebate Fund.

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

- (1) The Sinking Funds established for the Prior Bonds, including the reserve accounts established therein (established by the Prior Resolution and therein called the "Series 1987 A Bonds Sinking Fund," the "Series 1987 B Bonds Sinking Fund," respectively, and herein collectively called the "Prior Bonds Sinking Fund").
- (2) Series 1990 A Bonds Sinking Fund;
  - (a) Within the Series 1990 A Bonds Sinking Fund, the Series 1990 A Bonds Reserve Account.
- (3) Series 1990 B Bonds Sinking Fund;

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

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next on the first day of each month, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Resolution to be deposited in the Series 1987 A Bonds Sinking Fund for payment of the principal of and interest on the Series 1987 A Bonds, and commencing 7 months prior to the first date of payment of interest on the Series 1990 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1990 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1990 A Bonds on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1990 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date, and (ii) on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1990 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1990 A Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1990 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal

payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Resolution to be deposited in the reserve account established therein for the Series 1987 A Bonds and on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1990 A Bonds, if not fully funded upon issuance of the Series 1990 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1990 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1990 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1990 A Bonds Reserve Requirement.

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

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Resolution to be deposited in the Series 1987 B Bonds Sinking Fund for payment of principal of and interest on the Series 1987 B Bonds, and commencing 13 months prior to the first date of payment of principal on the Series 1990 B Bonds, apportion

and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1990 B Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1990 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Commission the amounts required by the Prior Resolution to be deposited in the reserve account established therein for the Series 1987 B Bonds, and commencing 13 months prior to the first date of payment of principal of the Series 1990 B Bonds, if not fully funded upon issuance of the Series 1990 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1990 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1990 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1990 B Bonds Reserve Requirement.

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

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

Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the respective series of Bonds, and then to the next ensuing principal payments due thereon.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 1990 A Bonds Reserve Account which result in a reduction in the balance of the Series 1990 A Bonds Reserve Account to below the Series 1990 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full to the Series 1987 A Bonds Sinking Fund for payment of debt service on the Series 1987 A Bonds and to the Series 1990 A Bonds Sinking Fund for payment of debt service on the Series 1990 A Bonds.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 1990 B Bonds Reserve Account which result in a reduction in the balance of the Series 1990 B Bonds Reserve Account to below the Series 1990 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1987 A Bonds Sinking Fund, the Series 1987 A Bonds Reserve Account the Series 1990 A Bonds Sinking Fund, the Series 1990 A Bonds Reserve Account, the Renewal and Replacement Fund, the Series 1987 B Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund have been made in full.

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

The Issuer shall not be required to make any further payments into the Series 1990 A Bonds Sinking Fund, or the Series 1990 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective

Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made pro rata, with respect to the Series 1987 A and Series 1990 A Bonds in accordance with the respective principal amounts then Outstanding, and thereafter shall be made pro rata, with respect to the Series 1987 B and Series 1990 B Bonds in accordance with the respective principal amounts then Outstanding.

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

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

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

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

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

Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund.

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

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

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bonds Reserve Account, and when both Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective series of Bonds and thereafter to the next ensuing principal payments due thereon. Notwithstanding the foregoing, if the Authority tenders any of its Series 1990 B Bonds to the Issuer pursuant to the provisions of the Supplemental Loan Agreement, such moneys shall be applied to the purchase of such Series 1990 B Bonds.

## ARTICLE VII

### ADDITIONAL COVENANTS OF THE ISSUER

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

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

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

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 1990 A Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, on parity with the lien on said Net Revenues in favor of the Holders of the Series 1987 A Bonds, and senior and prior to the lien on said Net Revenues in favor of the Holders of the Series 1987 B Bonds and the Series 1990 B Bonds. The payment of the debt service of the Series 1990 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, on parity with the lien on said Net Revenues in

favor of the Holders of the Series 1987 B Bonds, and junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1987 A Bonds and the Series 1990 A Bonds. The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Order of the Public Service Commission of West Virginia entered October 31, 1990 (Case No. 90-090-PSD-CN), and such rates are hereby adopted.

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

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

be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or supplemental resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are

Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1990 B Bonds only may be issued as provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1990 A Bonds and the Series 1990 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

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

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the

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

- (1) The Prior Bonds and any other obligations with a lien on the Net Revenues prior to that of the Bonds;
- (2) The Bonds then Outstanding;
- (3) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and
- (4) The Parity Bonds then proposed to be issued.

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

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

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1990 A Bonds and the Series 1990 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1990 A Bonds or the Series 1990 B Bonds.

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

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

Section 7.08. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart

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

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

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

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

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

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

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

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

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

Section 7.10. Operating Budget and Audit. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the

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

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission

of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law or, if the waterworks facilities are not owned by the Issuer, the Issuer will enter into a similar termination agreement with the provider of such water.

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

Section 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds or the Notes remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$100,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

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

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

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

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

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

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

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

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

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

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

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

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall

take effect immediately upon delivery of the Bonds and shall be for the equal benefit of all Holders of each respective Series of Bonds, provided however, that the statutory mortgage lien in favor of the Holders of the Series 1990 A Bonds shall be on parity with the statutory mortgage lien in favor of the Holders of the Series 1987 A Bonds and senior and prior to the statutory mortgage lien in favor of the Holders of the Series 1987 B Bonds and the Series 1990 B Bonds.

## ARTICLE VIII

### INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

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

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

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

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

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

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

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

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

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

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

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

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

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note or Bond, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Notes or Bonds, as the case may be, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1990 B Bonds and the Series 1987 B Bonds shall be subject to those of the Holders of the Series 1990 A Bonds and the Series 1987 A Bonds.

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

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

part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

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

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

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

## ARTICLE X

### DEFEASANCE

Section 10.01. Defeasance of Series 1990 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1990 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1990 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1990 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Original Bonds from gross income for federal income tax purposes.

Series 1990 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1990 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1990 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1990 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1990 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior

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

Section 10.02. Defeasance of Series 1990 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1990 B Bonds, the principal due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1990 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1990 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Original Bonds from gross income for federal income tax purposes.

Series 1990 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date the principal installments of such Series 1990 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1990 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of said Series 1990 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of said Series 1990 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such

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

Section 10.03. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of any series of Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to such Notes only, this Bond Legislation, the Indenture, if any, and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Notes from gross income for federal income tax purposes.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Notes, the Series 1990 A Bonds or the Series 1990 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds or Notes respectively, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder or Noteholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Original Bonds and the Notes from gross income of the holders thereof.

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

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

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

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

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

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

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

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

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

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

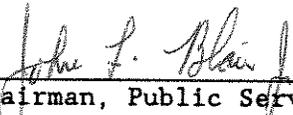
(e) The date that the formal application for a Certificate of Convenience and Necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Consent to Issuance of Series 1990 A Bonds on Parity with Series 1987 A Bonds. The Issuer has received the

written consent of the Holders of the Series 1987 A Bonds for issuance of the Series 1990 A Bonds on a parity therewith.

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

Adopted this 14th day of November, 1990.

  
\_\_\_\_\_  
Chairman, Public Service Board

  
\_\_\_\_\_  
Member, Public Service Board

\_\_\_\_\_  
Member, Public Service Board

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MARSHALL COUNTY SEWERAGE DISTRICT on the 14th day of November, 1990.

Dated: November 26, 1990

[SEAL]

*P. Helen Beckley*  
Secretary, Public Service Board

11/20/90  
MCSDJ.A5  
55339/90001



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

SUPPLEMENTAL RESOLUTION

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

WHEREAS, the Public Service Board (the "Governing Body") of Marshall County Sewerage District (the "Issuer"), has duly and officially adopted a bond and notes resolution, effective November 14, 1990 (the "Bond and Notes Resolution" or the "Resolution") entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF MARSHALL COUNTY SEWERAGE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, AND NOT MORE THAN \$500,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE

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

WHEREAS, the Bond and Notes Resolution provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed \$400,000, to be issued in two series, the Series 1990 A Bonds to be in an aggregate principal amount of not more than \$300,000 (the "Series 1990 A Bonds") and the Series 1990 B Bonds to be in an aggregate principal amount of not more than \$100,000 (the "Series 1990 B Bonds"), and has preliminarily authorized the execution and delivery of a loan agreement relating to the Series 1990 A Bonds dated November 26, 1990, and a supplemental loan agreement relating to the Series 1990 B Bonds, also dated November 26, 1990 (sometimes collectively referred to herein as the "Loan Agreement"), both by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond and Notes Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF  
MARSHALL COUNTY SEWERAGE DISTRICT:

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

(A) The Sewer Revenue Bonds, Series 1990 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$267,737. The Series 1990 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2029, shall bear interest at the rate of 8.10% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable April 1, 1991, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1990 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1990 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$12,091. The Series 1990 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2029, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1990 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Supplemental Loan Agreement and incorporated therein by reference.

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

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

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

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

Section 6. The Issuer does hereby appoint United National Bank - North, Moundsville, West Virginia, as Depository Bank under the Bond and Notes Resolution.

Section 7. Series 1990 A Bonds proceeds in the amount of \$32,530 shall be deposited in the Series 1990 A Bonds Sinking Fund as capitalized interest.

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

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

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

Section 11. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond and Notes Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about November 26, 1990, including, but not limited to a Sewage Treatment Contract by and between the Issuer and the Town of Glen Dale.

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

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

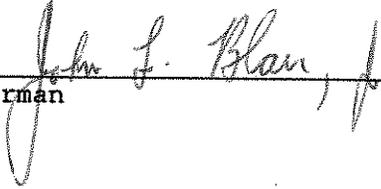
Section 14. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986,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

Section 15. The Issuer elects to have Section 148(f)(4)(C)(vii)(I) of the Code apply to the Bonds and agrees to pay the penalty prescribed under such Section 148(f)(4)(C)(vii)(I) of the Code from lawfully available sources. The Issuer further elects to exclude earnings on amounts which may be deposited in the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account from the definition of "available construction proceeds," as such term is defined in the Code, in accordance with Section 148(f)(4)(C)(vi)(IV) of the Code.

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

Adopted this 14th day of November, 1990.

MARSHALL COUNTY SEWERAGE DISTRICT

  
Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of MARSHALL COUNTY SEWERAGE DISTRICT on the 14th day of November, 1990.

Dated: November 26, 1990.

[SEAL]

*C. Alan Beckley*  
Secretary, Public Service Board

11/20/90  
MCSDJ.B4  
55339/90001

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").

MARSHALL COUNTY SEWERAGE DISTRICT

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

## ARTICLE I

### Definitions

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II

### The Project and the System

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

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and of the Local Act, the Governmental Agency has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is

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

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

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 the form of which certificate is attached hereto as Exhibit A;

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

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

(f) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited) 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 or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

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

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

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

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

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

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

(xvi) That, unless it qualifies for an exception to the provisions of Section 148 of the Code, which exception shall be set forth in an opinion of bond counsel, the Governmental Agency will furnish to the Authority, annually, at

such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

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

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

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

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

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and

subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority.

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

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

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

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

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

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

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

#### ARTICLE V

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

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

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

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

next due, from the date of the default until the date of the payment thereof.

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

## ARTICLE VI

### Other Agreements of the Governmental Agency

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

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

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

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

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

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

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

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

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

## ARTICLE VII

### Miscellaneous

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

Marshall County Sewerage District  
[Proper Name of Governmental Agency]

(SEAL)

By: John F. Blair Jr.  
Its: Chairman

Attest:

Date: November 26, 1990

C. Helen Beckley  
Its Secretary

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

(SEAL)

By: Samuel B. Gaskins  
Director

Attest:

Date: November 26, 1990

Barbara B. Meadows  
Secretary-Treasurer

WDA-5X  
(July 1990)

SCHEDULE X  
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$ 267,737

Purchase Price of Local Bonds \$ 267,737

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 8.10 % 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:



Marshall County Sewerage District  
 Debt Service Schedule  
 Analysis of Borrowing from Series 1990 A Pool  
 38 Principal Payments  
 Closing Date: 26-Nov-90

Date	Coupon	Principal	Interest	Debt Service 8.10% Bonds
01-Oct-90			0.00	0.00
01-Oct-91	0.00%	0.00	18,373.45	18,373.45
01-Oct-92	8.10%	1,185.00	21,686.70	22,871.70
01-Oct-93	8.10%	1,282.00	21,590.71	22,872.71
01-Oct-94	8.10%	1,385.00	21,486.87	22,871.87
01-Oct-95	8.10%	1,498.00	21,374.69	22,872.69
01-Oct-96	8.10%	1,619.00	21,253.35	22,872.35
01-Oct-97	8.10%	1,750.00	21,122.21	22,872.21
01-Oct-98	8.10%	1,892.00	20,980.46	22,872.46
01-Oct-99	8.10%	2,045.00	20,827.21	22,872.21
01-Oct-2000	8.10%	2,211.00	20,661.56	22,872.56
01-Oct-2001	8.10%	2,390.00	20,482.47	22,872.47
01-Oct-2002	8.10%	2,583.00	20,288.88	22,871.88
01-Oct-2003	8.10%	2,793.00	20,079.66	22,872.66
01-Oct-2004	8.10%	3,019.00	19,853.42	22,872.42
01-Oct-2005	8.10%	3,263.00	19,608.88	22,871.88
01-Oct-2006	8.10%	3,528.00	19,344.58	22,872.58
01-Oct-2007	8.10%	3,814.00	19,058.81	22,872.81
01-Oct-2008	8.10%	4,122.00	18,749.88	22,871.88
01-Oct-2009	8.10%	4,456.00	18,416.00	22,872.00
01-Oct-2010	8.10%	4,817.00	18,055.06	22,872.06
01-Oct-2011	8.10%	5,207.00	17,664.88	22,871.88
01-Oct-2012	8.10%	5,629.00	17,243.12	22,872.12
01-Oct-2013	8.10%	6,085.00	16,787.17	22,872.17
01-Oct-2014	8.10%	6,578.00	16,294.28	22,872.28
01-Oct-2015	8.10%	7,111.00	15,761.47	22,872.47
01-Oct-2016	8.10%	7,687.00	15,185.48	22,872.48
01-Oct-2017	8.10%	8,309.00	14,562.83	22,871.83
01-Oct-2018	8.10%	8,983.00	13,889.80	22,872.80
01-Oct-2019	8.10%	9,710.00	13,162.18	22,872.18
01-Oct-2020	8.10%	10,497.00	12,375.67	22,872.67
01-Oct-2021	8.10%	11,347.00	11,525.41	22,872.41
01-Oct-2022	8.10%	12,266.00	10,606.30	22,872.30
01-Oct-2023	8.10%	13,260.00	9,612.76	22,872.76
01-Oct-2024	8.10%	14,334.00	8,538.70	22,872.70
01-Oct-2025	8.10%	15,495.00	7,377.64	22,872.64
01-Oct-2026	8.10%	16,750.00	6,122.55	22,872.55
01-Oct-2027	8.10%	18,106.00	4,765.80	22,871.80
01-Oct-2028	8.10%	19,573.00	3,299.21	22,872.21
01-Oct-2029	8.10%	21,158.00	1,713.80	22,871.80
		267,737.00	619,783.90	887,520.90



SCHEDULE Y  
REVENUES

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

(i) to pay Operating Expenses of the System;

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

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

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

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

SCHEDULE Z

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.
2. "Local Statute" means Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended.
3. "System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Governmental Agency, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Division of Natural Resources and EPA.
2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.
3. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Division of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.
4. The Local Act shall contain a covenant substantially as follows:

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the

event the Governmental Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

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

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

7. The paying agent for the Local Bonds shall be the West Virginia Municipal Bond Commission or any successor to the functions thereof.

8. 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.



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").

MARSHALL COUNTY SEWERAGE DISTRICT  
(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

## ARTICLE I

### Definitions; Loan Agreement

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

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

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

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

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

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

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

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

## ARTICLE II

### The Project and the System

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

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

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

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 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.

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

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

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

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

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Supplemental Bonds, construction of the Project and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel, to such effect;

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

(g) The net proceeds of the Supplemental Bonds, together with the net proceeds of the Local Bonds and all other moneys on deposit or to be simultaneously deposited (or, with

respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate, of such person or firm and in form and substance satisfactory to the Authority, to such effect and evidence satisfactory to it of such irrevocably committed grants.

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and the Supplemental Bonds and any such prior or parity obligations;

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

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

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

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

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

(viii) That any bond owner may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including

the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal or interest on the Supplemental Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law, subject to the prior and senior rights of the owner or owners of the Local Bonds;

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

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

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

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

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

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

provided that said construction fund may be the one established for the Local Bonds, which shall have a prior and senior lien thereon;

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

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

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

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

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

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

4.4 The Supplemental Loan shall not bear interest.

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

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

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

#### ARTICLE V

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

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

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

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

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

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

#### ARTICLE VI

##### Other Agreements of the Governmental Agency

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

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

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

## ARTICLE VII

### Miscellaneous

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

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

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

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

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

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

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

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

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

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

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

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

Marshall County Sewerage District  
[Proper Name of Governmental Agency]

(SEAL)

By John L. Blawie  
Its Chairman

Attest:

Date: November 26, 1990

C. Helen Beckley  
Its Secretary

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

(SEAL)

By Daniel B. Yankosky  
Director

Attest:

Date: November 26, 1990

Barbara B. Meadows  
Secretary-Treasurer

WDA-Supp. 5X  
(July 1990)

SCHEDULE X  
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	\$ <u>12,091</u>
Purchase Price of Supplemental Bonds	\$ <u>12,091</u>

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

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

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



Marshall County Sewerage District  
 Debt Service Schedule  
 Analysis of Borrowing from Series 1990 A  
 38 Principal Payments  
 Closing Date: 26-Nov-90

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	0.00
01-Oct-92	318.34
01-Oct-93	318.18
01-Oct-94	318.18
01-Oct-95	318.18
01-Oct-96	318.18
01-Oct-97	318.18
01-Oct-98	318.18
01-Oct-99	318.18
01-Oct-2000	318.18
01-Oct-2001	318.18
01-Oct-2002	318.18
01-Oct-2003	318.18
01-Oct-2004	318.18
01-Oct-2005	318.18
01-Oct-2006	318.18
01-Oct-2007	318.18
01-Oct-2008	318.18
01-Oct-2009	318.18
01-Oct-2010	318.18
01-Oct-2011	318.18
01-Oct-2012	318.18
01-Oct-2013	318.18
01-Oct-2014	318.18
01-Oct-2015	318.18
01-Oct-2016	318.18
01-Oct-2017	318.18
01-Oct-2018	318.18
01-Oct-2019	318.18
01-Oct-2020	318.18
01-Oct-2021	318.18
01-Oct-2022	318.18
01-Oct-2023	318.18
01-Oct-2024	318.18
01-Oct-2025	318.18
01-Oct-2026	318.18
01-Oct-2027	318.18
01-Oct-2028	318.18
01-Oct-2029	318.18

12,091.00



SCHEDULE Y  
REVENUES

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

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

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

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

(iv) beginning thirteen (13) months prior to the first date of payment of principal of the Supplemental Bonds, to provide debt service on the Supplemental Bonds by depositing in a sinking fund one-twelfth (1/12) of the principal payment next coming due on the Supplemental Bonds and, if the Supplemental Reserve Account was not funded concurrently with the issuance thereof in an amount equal to the Supplemental Reserve Requirement, by depositing in the Supplemental Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than ten (10) years) of the Supplemental Reserve Requirement or, if the Supplemental Reserve Account has been so funded (whether by Supplemental Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Supplemental Reserve Account at the Supplemental Reserve Requirement;

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

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

4739z

SCHEDULE Z

Additional and Supplemental Definitions

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

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

3. "System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Governmental Agency, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

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

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

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

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

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the

Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

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

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

7. The paying agent for the Supplemental Bonds shall be the West Virginia Municipal Bond Commission or any successor to the functions thereof.

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 25th day of October, 1990.

CASE NO. 90-090-P8D-CN

**MARSHALL COUNTY SEWERAGE DISTRICT**

Application for a certificate of convenience and necessity to build, construct, operate, and maintain a sewage collection and transmission system at Glen Dale Heights, etc., Marshall County, and for approval of financing and rates and charges incidental thereto.

COMMISSION ORDER

On April 5, 1990, Marshall County Sewerage District (Applicant or District), filed an application for a certificate of convenience and necessity to build, construct, operate and maintain a sewage collection and transmission system at Glen Dale Heights, Marshall County. The District also requested approval of financing and rates and charges incidental to the proposed construction project.

On September 10, 1990, a Recommended Decision was submitted by an Administrative Law Judge (ALJ) to the Commission. The Recommended Decision granted the certificate, the requested financing and the final rates recommended by Commission Staff (Staff), which were different than the rates requested by the District. The Recommended Decision also approved an interim rate of \$1.01 per thousand gallons of water usage by District customers for transportation and treatment of the District's sewage to be charged by the City of Glen Dale. The Recommended Decision further directed the District and the City to submit a revised agreement for said transportation and treatment within eight (8) months after completion of the project.

No exceptions were filed by the parties to the case, the District and the Commission Staff. However, upon review of the Recommended Decision, the Commission exercised its authority pursuant to §24-1-9 of the West Virginia Code and suspended the decision until further order of the Commission.

The Commission suspended the Recommended Decision to provide it with the opportunity to fully consider the rate design recommended in the decision and the justification for modifying the transportation and treatment rates to be charged by the City.

On October 31, 1990, the District, by Counsel Don A. Barr Esquire, requested that the Commission approve an interest rate of 7.75% on its proposed bond issue as opposed to the 7.5% as approved by the ALJ's September 10, 1990 order.

### DISCUSSION

With regard to the agreement between the City and the District, the Commission had several concerns. These concerns included the revisions to the agreement recommended by Staff and adopted by the ALJ, the revisions recommended by Staff and rejected by the ALJ, the authority of the Commission to order modifications to this agreement under the circumstances of this case and the need for appropriate findings of fact and conclusions of law to assure that both the District and the City understood, and would comply with, the Commission's decision. In particular, the Mayor of Glen Dale, Jon Saffill, indicated to the Chairman of the District, by letter dated October 17, 1990, that the City had no objection to the interim rate and was aware that the cost is to be reviewed and submitted to the Public Service Commission at a later date (See letter of October 17, 1990). Subsequent to the suspension of the Recommended Decision, the Commission has received assurances from the City that it understood the Recommended Decision and would comply with the orders regarding the agreement set forth in that decision. Therefore, the Commission finds it unnecessary to further discuss its authority in this matter or to set forth its reasoning with regard to that authority. The Commission shall adopt the provisions of the Recommended Decision pertaining to the agreement between the District and the City without modification.

With regard to the rate design recommended to the Commission, the Commission shares the concerns expressed by the ALJ. On page 12 of the decision, the ALJ stated:

The Administrative Law Judge is somewhat concerned about a minimum charge being based on an amount that the Commission usually considers to be the average usage of a customer. It is also unusual to have a customer charge and a minimum bill in the same tariff.

In making these observations, the ALJ was referring to a rate design that included a customer charge of four dollars and twenty cents (\$4.20), a usage rate of four dollars and twenty cents (\$4.20) per thousand gallons, a minimum bill of twenty-three dollars and ten cents (\$23.10) per month (equivalent to a usage of four thousand five hundred (4500) gallons) and a flat rate for

unmetered customers of twenty-three dollars and ten cents (\$23.10) per month (also calculated on the basis of four thousand five hundred (4500) gallons). Such a rate design is indeed unusual, and converts an apparently rational two part tariff (customer charge plus usage rate) into the equivalent of a flat rate tariff for a vast majority of the District's customers.

The Commission is concerned that, given the evidence presented in this case, the recommended rates may not reflect costs at varying usage levels. While some embedded costs to serve customers with varying usage levels may be fixed, the same is not true for variable costs. For example, the District will incur a minimum variable cost of one dollar and one cent (\$1.01) per thousand gallons for the transportation and treatment fees which it will pay to the City of Glen Dale. Thus, the District will incur a cost of four dollars and fifty-five cents (\$4.55) for transportation and treatment for a customer using four thousand five hundred (4,500) gallons. This cost will be only three dollars and three cents (\$3.03) for a customer using three thousand (3,000) gallons, two dollars and two cents (\$2.02) for a customer using two thousand (2,000) gallons or even no charge for a customer that has zero usage. Yet, under the recommended rate structure, all of these customers would pay the same monthly bill. Some declining block rate structures may require minimum bills that will result in a certain amount of cost averaging at relatively low usage levels. However, it has not been our policy to allow this cost averaging across as broad a usage as is occurring in the recommended rates in this case. The imperfections of a declining block rate structure may result in identical bills for customers using one, two or even three thousand gallons; however, when this occurs at a level as high as four thousand five hundred (4,500) gallons on a system that has readily identifiable variable costs, the rate design must be considered faulty.

Since this case involves a certificate and establishes rates based on engineering estimates of costs and usage patterns, a detailed audit and traditional cost of service study is not possible or is such a study necessary. Broad assumptions must be made in this type of case to reach any rate design conclusions. Although we may remand a more complex case for additional hearing on the rate design issue, the Commission finds that there is sufficient data in the record for it to apply its expertise gained from many decisions on rate design and cost allocation issues to the revenue requirements used in this case to modify the recommended rate design.

Exhibit 3.4. of the Application for Certificate prepared by Vaughn Consultants, Inc. as filed in this case sets forth an annual budget of sixty thousand five hundred ninety two dollars (\$60,592). The Engineering exhibit further functionalizes the budgeted figures between capital costs, fixed costs and variable costs. Although we do not agree with all of the District's functionalization, its exhibit provides sufficient detail to

develop a more reasonable cost based rate design.

Normally, variable costs should be recovered on an even increment per thousand gallon basis (across all usage blocks if a declining block rate structure is used) while most fixed costs should be recovered either on a customer or demand related basis. Capital costs are usually fixed; however, since plant may be sized differently in anticipation of varying usage levels, any cost allocation approach will generally employ some methodology to split fixed costs in such a way that the portion will be most heavily borne by larger usage customers.

The Commission has reviewed the cost components detailed in the Vaughn Consultants, Inc.'s Application in this case as adjusted by Staff. The Commission finds that these cost components should be functionalized for rate design purposes differently than the functionalization chosen by the District. (See Appendix A for detail). Treatment, transmission and chemicals are truly commodity related since they will vary directly with usage. The Commission finds that lift station maintenance and pump maintenance, while not varying directly with usage, do contain some element of variability and are not incurred in direct proportion to the number of customers served. Therefore, we shall divide these cost elements evenly between the fixed and variable functions. Septic tank pumping is another cost that is clearly not solely customer related. Greater usage should require more pumping. Therefore, we shall assign one hundred percent (100%) of the tank pumping to the variable category.

Our analysis of the customer usage estimates indicates that there are very few high volume customers. Therefore, although it is possible that some portion of debt service may be associated with usage levels, at least to the extent that there may be any sizing above minimum facilities requirements within the system, the Commission concludes that it is reasonable to assign 100 percent of the debt service and capital cost reserves to the fixed function.

Appendix A, attached hereto, reflects the detail of the revenue requirements components as adjusted by staff and the Commission's functionalization of these components as described above. The Commission shall authorize rates designed to recover the entire twenty thousand eight hundred fifty two dollars (\$20,852) "variable" cost reflected on Appendix A on a per thousand gallon basis. This results in a usage rate of two dollars and twenty eight cents (\$2.28) per thousand gallons. In a system having a more diverse population of customers the balance of the revenue requirements may have to be recovered in a variety of ways. However, in this case the Commission shall recover all such costs (net of other income) in the customer charge. This calculation results in a customer charge of sixteen dollars and ninety cents (\$16.90) per month.

A comparison of bills at the requested, recommended and Commission authorized rates is as follows:

<u>Monthly Usage</u>	<u>District Request</u>	<u>Recommended Staff Rate</u>	<u>Commission Rate</u>
0	\$20.00	\$23.10	\$16.90
1,000	20.00	23.10	19.18
2,000	20.00	23.10	21.46
3,000	20.00	23.10	23.74
4,000	25.00	23.10	26.02
4,500	27.50	23.10	27.13
5,000	30.00	27.30	28.30
6,000	35.00	31.50	30.58
7,000	40.00	35.70	32.86
8,000	45.00	39.90	35.14

The Commission rate structure corrects the deficiency discussed earlier. Even at the lower usage levels, as customers use more water and place more cost on the District, their bills increase. At usage levels below approximately three thousand (3,000) gallons the bills will be lower under the Commission approved rates than they would have been under the recommended rates. Above approximately five thousand five hundred (5,500) gallons the bills will also be lower. However, between three thousand (3,000) and five thousand five hundred (5,500) gallons, the bills will be somewhat higher under the Commission rates. The Commission concludes that the rates calculated herein more closely track costs. Therefore, they shall be adopted.

The Commission notes that the District's present rates, although for a different system and group of customers, closely resemble the design of the rates which are herein revised. While the Commission shall not modify the existing rate design due to the possibility of confusion or potential for unfair treatment of similarly-situated customers, the Commission shall direct Staff to review the reasonableness of the District's existing rate structure. Staff shall then issue a report and recommendation for future Commission action on the structure and design of the existing rates no later than March 15, 1991.

Regarding the District's October 31, 1990, request that the Commission approve an interest rate of 7.75% on the proposed bond issue the Commission hereby concludes that as the District in its application requested approval of an interest rate not to exceed 8% and as such a change will not adversely affect the project, the Commission shall herein grant such an increase. In fact, the coverage as calculated by Staff, (Staff Exh. No. 1) on the original debt service was 115.98% whereas the debt coverage on the revised debt service at 8% is 12.9%, well above the 110% debt coverage requirement.

## FINDINGS OF FACT

(1) By letter dated October 17, 1990, the Mayor of Glen Dale, Jon Saffill, informed the Chairman of the District, John L. Blair, Jr., that the City had no objection to the interim rate of one dollar and one cent (\$.01) per thousand gallons and was aware that the cost was to be reviewed and submitted to the Commission at a later date.

(2) The ALJ indicated, in the recommended decision of September 10, 1990, that the recommended rate design was unusual.

(3) The recommended rate design establishes a monthly charge of twenty three dollars and ten cents (\$23.10) to be paid by all metered water customers using from zero (0) to four thousand five hundred (4,500) gallons and by all unmetered customers.

(4) The cost of service includes variable costs that should result in a greater differential between bills at varying usage levels.

(5) Assigning septic tank pumping, treatment, transmission, chemicals and 50% of pump maintenance, lift station maintenance and cash surplus to the variable rate function results in a usage rate of two dollars and twenty eight cents (\$2.28) per thousand gallons.

## CONCLUSIONS OF LAW

(1) Conclusion of law number (4) in the ALJ's September 10, 1990, recommended decision should be reversed.

(2) The revenue level recommended by Commission Staff is adequate to cover the cost of operation and maintenance costs, debt service and required reserves; however, the structure of the rates should be amended to reflect the cost assignments discussed herein and summarized on Appendix A.

(3) The rates and charges contained on Appendix B produce the same revenue requirement as Staff's recommended rates and should be approved.

(4) In all other respects the ALJ's recommended decision should be affirmed as a final order of the Commission.

## ORDER

IT IS, THEREFORE, ORDERED that ordering paragraphs one (1),

three (3), seven (7) and eight (8) of the ALJ's recommended decision of September 10, 1990, are hereby affirmed as final orders of the Commission.

IT IS FURTHER ORDERED, that the rates and charges, as provided on Appendix B, attached hereto, and hereby are, approved.

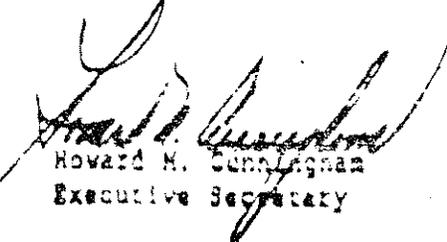
IT IS FURTHER ORDERED THAT THE USE OF THE Environmental Protection Agency grant funds of nine hundred eighty four thousand seven hundred and fifty dollars (\$984,750), the Governor's Community Partnership Grant of one hundred thousand dollars (\$100,000), a Marshall County Commissioners' Grant of sixty five thousand dollars (\$65,000), nine thousand dollars (\$9,000) of interest earned from the one hundred thousand dollars (\$100,000) Partnership Grant deposited July 22, 1982, connection fees (tap fees) of thirty six thousand eight hundred and eight dollars (\$36,880) and a West Virginia Water Development Authority loan of three hundred seven thousand nine hundred and fifty dollars (\$307,950), to be repaid over the next forty (40) years, with the first two years consisting of interest, and the remaining thirty-eight years being based on an annual interest rate of 7.75%, resulting in an annual debt service requirement of twenty five thousand three hundred fifty three dollars (\$25,353), be, and they hereby are, approved.

IT IS FURTHER ORDERED that, upon substantial completion of the project, the District shall provide notification of same to the Commission. The rates and charges, as approved herein, shall not be effective until such time as the Commission determines that the project is complete.

IT IS FURTHER ORDERED that Staff conduct a review of the rate structure previously approved for the Washington Lands area served by the Applicant and file a report and recommendation regarding such rate structure no later than March 15, 1991.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Staff by hand delivery.

A True Copy, Teste:

  
Howard M. Cunningham  
Executive Secretary

MARSHALL COUNTY PUBLIC SERVICE SEWER DISTRICT  
CASE NO. 90-090-PSD-CN

FUNCTIONALIZATION OF REVENUE REQUIREMENTS

	<u>TOTAL</u> \$	<u>COMMISSION</u> <u>FUNCTIONALIZATION</u>	
		<u>FIXED</u> \$	<u>VARIABLE</u> \$
O & M Expenses:			
Septic Tank Pumping	8,850		8,850
Electric Drop	2,000	52,000	
Pump Maintenance	1,500	750	750
Lift Station Maintenance	4,500	2,250	2,250
Billing and Collecting	1,600	1,600	
Professional Services	2,000	2,000	
Treatment	5,239		5,239
Transmission	302		302
Chemicals	<u>1,500</u>		<u>1,500</u>
Total O&M Expenses	27,491	<u>8,600</u>	18,891
Debt Service	24,677	24,677	
Capital Costs	3,738	3,738	
Cash Surplus	<u>3,942</u>	<u>1,971</u>	<u>1,971</u>
Total Revenue Requirements	<u>59,848</u>	<u>38,986</u>	<u>20,852</u>

MARSHALL COUNTY SEWERAGE DISTRICT  
CASE NO. 90-090-P&D-CN

COMMISSIONAL APPROVED TARIFF

Applicability of Service

Applicable within the Glen Dale Heights and Echo Valley territory served pursuant to a certificate granted by the Public Service Commission of West Virginia in Case No. 90-090-P&D-CN.

Availability of Service

Available for general domestic and commercial service.

Rates

Customer Charge	\$16.90 per month
Commodity Charge	\$ 2.28 per 1,000 gallons used per month

These rates shall apply to the metered amount of water used unless an alternative basis is approved by the Public Service Commission of West Virginia.

Minimum Charge

The minimum charge shall be the customer charge.

Unmetered Customer Charge

\$27.16

Delayed Payment Penalty

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

Connection Fee

\$200.00

Public Service Commission  
Of West Virginia

Richard E. Hitt  
General Counsel



Phone: (304) 341-1317  
FAX (304) 341-1325

November 19, 1990

Vincent Collins, Esquire  
P.O. Box 2190  
Clarksburg, WV 26302

Re: Case No. 90-090-PSD-CN  
Marshall County Sewage District

Dear Mr. Collins:

Please be advised that the Staff of the Public Service Commission does not have the ability to appeal the Commission's decision in the above-referenced case to the West Virginia Supreme Court of Appeals. Consequently, such appeal can not and will not be filed in this case.

Sincerely,

A handwritten signature in cursive script that reads "Richard E. Hitt".

RICHARD E. HITT  
General Counsel

REH/mh



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, BARBARA B. MEADOWS, Secretary-Treasurer of West Virginia Water Development Authority, for and on behalf of West Virginia Water Development Authority (the "Authority") and JOHN L. BLAIR, JR., Chairman of Marshall County Sewerage District (the "Issuer"), hereby certify as follows:

1. On the 26th day of November, 1990, the Authority received the entire original issue of \$279,828 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B, of the Issuer (collectively, the "Bonds"), issued as a single, fully registered Bond of each Series, numbered AR-1 and BR-1, respectively, both dated November 26, 1990, the Series 1990 A Bond being in the principal amount of \$267,737 and the Series 1990 B Bond being in the principal amount of \$12,091.

2. At the time of such receipt of the Bonds upon original issuance, all of the Bonds had been executed by John L. Blair, as Chairman of the Issuer, by his manual signature, and by Galen Beckley, as Secretary of the Issuer, by his manual signature, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the proceeds of the Series 1990 A Bonds in the aggregate principal amount of \$267,737 and proceeds of the Series 1990 B Bonds in the aggregate principal amount of \$12,091 (100% of par value), there being no interest accrued on either series.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of WEST VIRGINIA WATER DEVELOPMENT AUTHORITY and MARSHALL COUNTY SEWERAGE DISTRICT has caused this receipt to be duly executed and delivered by its Chairman, as of this 26th day of November, 1990.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Barbara B. Meadows  
Secretary-Treasurer

MARSHALL COUNTY SEWERAGE DISTRICT

By John L. Blair  
Chairman

11/16/90  
MCSDJ.E2  
55339/90001

MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are:

(1) Bond issue of Marshall County Sewerage District, Series 1990 A and Bond No. BF of Marshall County Sewerage District, Series 1990 B, dated November 26, 1990, executed by the Secretary of the District and sealed with the seal of the District pursuant to a Resolution duly adopted by the Board of Commissioners ("Local Act");



original  
Revenue  
67,737,  
1 issue  
Bonds,  
1, both  
Bonds"),  
County  
official  
order and  
supplemental  
agreement, the

(2) A copy of the above Bond issue, duly certified by the Secretary of the District;

(3) Executed counterparts of the loan agreement and the supplemental loan agreement, both dated November 26, 1990, and both by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"); and

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

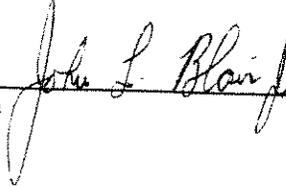
You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of \$279,828, representing the agreed aggregate purchase price of the Bonds, there being no accrued interest thereon. Prior to such delivery of the Bonds, you will please cause the Bonds to be

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

Dated this 26th day of November, 1990.

MARSHALL COUNTY SEWERAGE DISTRICT

By \_\_\_\_\_  
Its Chairman

A handwritten signature in cursive script, appearing to read "John L. Blair", is written over a horizontal line that serves as a signature line.

11/16/90  
MCSDJ.F2  
55339/90001

C

D

MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of Marshall County Sewerage District Sewer Revenue Bonds, Series 1990 A, in the principal amount of \$267,737, and Bond No. BR-1, constituting the entire original issue of Marshall County Sewerage District Sewer Revenue Bonds, Series 1990 B, in the principal amount of \$12,091, both dated November 26, 1990 (collectively, the "Bonds"), executed by the Chairman and Secretary of Marshall County Sewerage District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond and Notes Resolution and Supplemental Resolution duly adopted by the Issuer (collectively, the "Local Act");

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

(3) Executed counterparts of the loan agreement and the supplemental loan agreement, both dated November 26, 1990, and both by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"); and

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

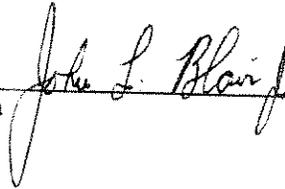
You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of \$279,828, representing the agreed aggregate purchase price of the Bonds, there being no accrued interest thereon. Prior to such delivery of the Bonds, you will please cause the Bonds to be

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

Dated this 26th day of November, 1990.

MARSHALL COUNTY SEWERAGE DISTRICT

By \_\_\_\_\_  
Its Chairman

A handwritten signature in cursive script, appearing to read "John L. Blair", is written over a horizontal line that serves as a signature line.

11/16/90  
MCSDJ.F2  
55339/90001



(SPECIMEN BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
MARSHALL COUNTY SEWERAGE DISTRICT  
SEWER REVENUE BOND,  
SERIES 1990 A

No. AR-1

\$267,737

KNOW ALL MEN BY THESE PRESENTS: That MARSHALL COUNTY SEWERAGE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Marshall County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO HUNDRED SIXTY-SEVEN THOUSAND SEVEN HUNDRED THIRTY-SEVEN DOLLARS (\$267,737), in installments on October 1 of each year, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1991. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated November 26, 1990.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; and (iii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on November 14, 1990 and a Supplemental Resolution duly adopted by the Issuer on November 14, 1990 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 A, DATED MARCH 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$89,940 (THE "SERIES 1987 A BONDS").

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

(i) SEWER REVENUE BONDS, SERIES 1987 B, DATED MARCH 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$22,060 (THE "SERIES 1987 B BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1990 B, ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,091 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Net Revenues in favor of the holders of the Series 1987 A Bonds, and from moneys in the Reserve Account created under the Bond Legislation for

the Bonds (the "Series 1990 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1990 B Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1990 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1990 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1990 B Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds or the Series 1990 B Bonds, including the Series 1987 A Bonds, provided however, that so long as there exists in the Series 1990 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1990 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1990 B Bonds, including the Series 1987 A Bonds and the Series 1987 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, MARSHALL COUNTY SEWERAGE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated November 26, 1990.

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: November 26, 1990

ONE VALLEY BANK, NATIONAL ASSOCIATION,  
as Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A  
SCHEDULE OF ANNUAL DEBT SERVICE

Marshall County Sewerage District  
Debt Service Schedule  
Analysis of Borrowing from Series 1990 A Pool  
38 Principal Payments  
Closing Date: 26-Nov-90

Date	Coupon	Principal	Interest	Debt Service 8.10% Bonds
01-Oct-90			0.00	0.00
01-Oct-91	0.00%	0.00	18,373.45	18,373.45
01-Oct-92	8.10%	1,185.00	21,688.70	22,871.70
01-Oct-93	8.10%	1,282.00	21,590.71	22,872.71
01-Oct-94	8.10%	1,385.00	21,486.87	22,871.87
01-Oct-95	8.10%	1,498.00	21,374.69	22,872.89
01-Oct-96	8.10%	1,619.00	21,253.35	22,872.35
01-Oct-97	8.10%	1,750.00	21,122.21	22,872.21
01-Oct-98	8.10%	1,892.00	20,980.46	22,872.46
01-Oct-99	8.10%	2,045.00	20,827.21	22,872.21
01-Oct-2000	8.10%	2,211.00	20,661.56	22,872.56
01-Oct-2001	8.10%	2,390.00	20,482.47	22,872.47
01-Oct-2002	8.10%	2,583.00	20,288.88	22,871.88
01-Oct-2003	8.10%	2,793.00	20,079.66	22,872.66
01-Oct-2004	8.10%	3,019.00	19,853.42	22,872.42
01-Oct-2005	8.10%	3,263.00	19,608.88	22,871.88
01-Oct-2006	8.10%	3,528.00	19,344.58	22,872.58
01-Oct-2007	8.10%	3,814.00	19,058.81	22,872.81
01-Oct-2008	8.10%	4,122.00	18,749.88	22,871.88
01-Oct-2009	8.10%	4,456.00	18,416.00	22,872.00
01-Oct-2010	8.10%	4,817.00	18,055.06	22,872.06
01-Oct-2011	8.10%	5,207.00	17,664.88	22,871.88
01-Oct-2012	8.10%	5,629.00	17,243.12	22,872.12
01-Oct-2013	8.10%	6,085.00	16,787.17	22,872.17
01-Oct-2014	8.10%	6,578.00	16,294.28	22,872.28
01-Oct-2015	8.10%	7,111.00	15,761.47	22,872.47
01-Oct-2016	8.10%	7,687.00	15,185.48	22,872.48
01-Oct-2017	8.10%	8,309.00	14,562.83	22,871.83
01-Oct-2018	8.10%	8,983.00	13,889.80	22,872.80
01-Oct-2019	8.10%	9,710.00	13,162.18	22,872.18
01-Oct-2020	8.10%	10,497.00	12,375.67	22,872.67
01-Oct-2021	8.10%	11,347.00	11,525.41	22,872.41
01-Oct-2022	8.10%	12,266.00	10,606.30	22,872.30
01-Oct-2023	8.10%	13,260.00	9,512.78	22,872.76
01-Oct-2024	8.10%	14,334.00	8,538.70	22,872.70
01-Oct-2025	8.10%	15,495.00	7,377.64	22,872.64
01-Oct-2026	8.10%	16,750.00	6,122.55	22,872.55
01-Oct-2027	8.10%	18,106.00	4,765.80	22,871.80
01-Oct-2028	8.10%	19,573.00	3,299.21	22,872.21
01-Oct-2029	8.10%	21,158.00	1,713.80	22,871.80

267,737.00      619,783.90      887,520.90

ASSIGNMENT

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:

\_\_\_\_\_  
11/20/90  
MCSDJ.V2  
55339/90001



(SPECIMEN BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
MARSHALL COUNTY SEWERAGE DISTRICT  
SEWER REVENUE BOND,  
SERIES 1990 B

No. BR-1

\$12,091

KNOW ALL MEN BY THESE PRESENTS: That MARSHALL COUNTY SEWERAGE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Marshall County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWELVE THOUSAND NINETY-ONE DOLLARS (\$12,091), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated November 26, 1990.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on November 14, 1990 and a Supplemental Resolution duly adopted by the Issuer on November 14, 1990 (collectively called the "Bond Legislation"), and is subject to

all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

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

(i) SEWER REVENUE BONDS, SERIES 1990 A, ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$267,737 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 A BONDS"); AND

(ii) SEWER REVENUE BONDS, SERIES 1987 A, DATED MARCH 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$89,940 (THE "SERIES 1987 A BONDS").

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 B, DATED MARCH 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$22,060 (THE "SERIES 1987 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1987 A Bonds and the Series 1990 A Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1990 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1990 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services

rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, the Series 1987 A Bonds, the Series 1990 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity therewith, including the Series 1987 B Bonds, provided however, that so long as there exists in the Series 1990 B Bonds Reserve Account and the reserve account established for the Series 1990 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and the Series 1990 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Series 1987 A Bonds and the Series 1987 B Bonds, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of the Bonds, which lien is subordinate to the lien in favor of the registered owner of the Series 1990 A Bonds.

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

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

IN WITNESS WHEREOF, MARSHALL COUNTY SEWERAGE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated November 26, 1990.

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: November 26, 1990.

ONE VALLEY BANK, NATIONAL ASSOCIATION,  
as Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A  
SCHEDULE OF ANNUAL DEBT SERVICE

Marshall County Sewerage District  
Debt Service Schedule  
Analysis of Borrowing from Series 1990 A  
38 Principal Payments  
Closing Date: 26-Nov-90

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	
01-Oct-92	0.00
01-Oct-93	318.34
01-Oct-94	318.18
01-Oct-95	318.18
01-Oct-96	318.18
01-Oct-97	318.18
01-Oct-98	318.18
01-Oct-99	318.18
01-Oct-2000	318.18
01-Oct-2001	318.18
01-Oct-2002	318.18
01-Oct-2003	318.18
01-Oct-2004	318.18
01-Oct-2005	318.18
01-Oct-2006	318.18
01-Oct-2007	318.18
01-Oct-2008	318.18
01-Oct-2009	318.18
01-Oct-2010	318.18
01-Oct-2011	318.18
01-Oct-2012	318.18
01-Oct-2013	318.18
01-Oct-2014	318.18
01-Oct-2015	318.18
01-Oct-2016	318.18
01-Oct-2017	318.18
01-Oct-2018	318.18
01-Oct-2019	318.18
01-Oct-2020	318.18
01-Oct-2021	318.18
01-Oct-2022	318.18
01-Oct-2023	318.18
01-Oct-2024	318.18
01-Oct-2025	318.18
01-Oct-2026	318.18
01-Oct-2027	318.18
01-Oct-2028	318.18
01-Oct-2029	318.18

12,091.00

ASSIGNMENT

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:

\_\_\_\_\_  
11/20/90  
MCSDJ.W2  
55339/90001



# STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

CHARLES W. YEAGER  
CARL F. STUCKY, JR.  
HERBERT G. UNDERWOOD  
JACKSON E. ANDERSON  
OTIS L. O'CONNOR  
ROBERT G. STEELE  
J. LEE VAN METRE, JR.  
JAMES M. WILSON  
PATRICK D. DEEM  
ROBERT M. STEPTOE, JR.  
ANNE R. WILLIAMS  
JAMES R. WATSON  
JAMES D. GRAY  
DOUGLAS S. ROCKWELL  
VINCENT A. COLLINS  
JAMES A. RUSSELL  
LUCIEN G. LEWIN  
WILLIAM T. BELCHER  
MICHAEL L. BRAY  
JAMES D. STEPTOE  
DAVID C. GLOVIS  
DANIEL R. SCHUDA  
J. GREG GOODYKOONTZ  
IRENE M. KEELEY  
EVANS L. KING, JR.  
WALTER L. WILLIAMS  
SUSAN S. BREWER  
SPRAGUE W. HAZARD  
HERSCHEL H. ROSE III  
DAVID SILVER III  
RONALD H. HANLAN  
C. DAVID MORRISON  
HARRY P. WADDELL  
CLEMENT D. CARTER III  
W. HENRY LAWRENCE IV  
J. ROBERT GWYNNE  
WILLIAM E. GALEOTA  
CHRISTOPHER P. BASTIEN  
GORDON H. CORLAND  
RANDALL C. LIGHT  
STEVEN P. MCGOWAN  
RICHARD M. YURKO, JR.  
GARY W. NICKERSON  
CURTIS G. POWER III  
W. RANDOLPH FIFE  
MARTIN R. SMITH, JR.

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

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

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

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

LOUIS E. ENDERLE, JR.  
ROBERT J. SCHIAVONI  
JOHN K. DORSEY  
WALTER WASHINGTON  
JOSEPH F. FRIRETTI  
MARK E. KINLEY  
MARCIA J. POLLARD  
BRYAN R. COKELEY  
PATRICK D. KELLY  
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CHRISTINE S. VAGLIENTI  
DAVID M. HAMMER  
WILLIAM F. ROHRBAUGH  
CAROLINE J. STAFFORD  
MATTHEW J. MULLANEY  
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SUSAN C. OSENTON  
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CHARLES F. JOHNS  
PATRICK J. NOONEY  
LAURIE A. BADZEK  
DANIEL C. COOPER  
LAURIE L. CRYTSEK  
O. GAY ELMORE, JR.  
KAREN E. KAHLE  
SUSAN L. KAHN  
AMY R. LAMP  
DOUGLAS G. LEE  
ANDREW L. PATERNOSTRO  
RONALD T. TOMASKO  
LUCI R. WELLBORN

OF COUNSEL  
RALPH BOHANNON

WRITER'S DIRECT DIAL NUMBER

November 26, 1990

## Marshall County Sewerage District Sewer Revenue Bonds, Series 1990 A

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Marshall County Sewerage District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$267,737 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 November 26, 1990, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are originally issued in the form of one bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, commencing April 1, 1991, at the rate of 8.10% per annum, and with principal installments payable on October 1 in each of the years 1992 through 2029, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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The Local Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Local Statute"), for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) to pay interest on the Local Bonds during the construction of the Project and for not more than 6 months thereafter; and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Local Statute, the bond and notes resolution duly adopted by the Issuer on November 14, 1990, as supplemented by a supplemental resolution adopted on November 14, 1990 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

4. The Local Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Local Act and secured by a first lien on and pledge of the Net Revenues of said System on a parity with respect to liens and sources of and security for payment, and in all other respects, to the Issuer's outstanding Sewer Revenue Bonds, Series 1987 A, dated March 18, 1987, issued in

the original aggregate principal amount of \$89,940, all in accordance with the terms of the Local Bonds and the Local Act.

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

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

7. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered October 31, 1990 (Case No. 90-090-PSD-CN), granting to the Issuer a Certificate of Public Convenience and Necessity (the "Order") has not expired prior to the date hereof. However, the staff of the Public Service Commission of West Virginia has stated in a letter dated November 19, 1990, that it does not intend to appeal the Order and the Issuer has certified that it will not appeal the Order. The Order is not subject to appeal by any other person.

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

West Virginia Water Development Authority  
Page 4

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

Very truly yours,

  
STEPTOE & JOHNSON

11/20/90  
MCSDJ.G3  
55339/90001



# STEPTOE & JOHNSON

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LUCI R. WELLBORN

OF COUNSEL  
RALPH BOHANNON

WRITER'S DIRECT DIAL NUMBER

November 26, 1990

## Marshall County Sewerage District Sewer Revenue Bonds, Series 1990 B

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Marshall County Sewerage District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia of its \$12,091 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 November 26, 1990, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Supplemental Bonds, which are to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are originally issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years 1992 through 2029, inclusive, all as set forth in "Schedule X," attached to the Supplemental Loan Agreement and incorporated in and made part of the Supplemental Bonds.

//

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

The Supplemental Loan Agreement is supplemental to a loan agreement also dated November 26, 1990, between the Issuer and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien, pledge and source of and security for payment to (i) the bonds issued pursuant to the Loan Agreement and designated "Sewer Revenue Bonds, Series 1990 A" (the "Local Bonds"), which Local Bonds are issued simultaneously herewith, and (ii) the Issuer's outstanding Sewer Revenue Bonds, Series 1987 A, dated March 18, 1987, issued in the aggregate principal amount of \$89,940 (the "Prior Bonds"). The Supplemental Bonds are on a parity as to lien, pledge and source of and security for payment to the Issuer's outstanding Sewer Revenue Bonds, Series 1987 B, dated March 18, 1987, issued in the aggregate principal amount of \$22,060 (the "Series 1987 B Bonds").

We have also examined the applicable provisions of the Local Statute, the bond and notes resolution duly adopted by the Issuer on November 14, 1990, as supplemented by a supplemental resolution adopted on November 14, 1990 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Supplemental Bonds are authorized and issued and the Supplemental Loan Agreement that has been undertaken. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

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

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

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

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

4. The Supplemental Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Local Act and secured by a lien on and pledge of the Net Revenues of said System, junior and subordinate only to the Local Bonds and the Prior Bonds and on parity with the Series 1987 B Bonds, all in accordance with the terms of the Supplemental Bonds and the Local Act.

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

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

7. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered October 31, 1990 (Case No. 90-090-PSD-CN), granting to the Issuer a Certificate of Public Convenience and Necessity (the "Order") has not expired prior to the date hereof. However, the staff of the Public Service Commission of West Virginia has stated in a letter dated November 19, 1990, that it does not intend to appeal the Order. The Issuer has certified that it will not appeal the Order. The Order is not subject to appeal by any other person.

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

West Virginia Water Development Authority  
Page 4

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

Very truly yours,

  
STEPTOE & JOHNSON

11/20/90  
MCSDJ.H3  
55339/90001

# STEPTOE & JOHNSON

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LUCI R. WELLBORN

OF COUNSEL  
RALPH BOHANNON

WRITER'S DIRECT DIAL NUMBER

November 26, 1990

## Marshall County Sewerage District Sewer Revenue Bonds, Series 1990 A

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

Ladies and Gentlemen:

We have examined a transcript of proceedings relating to the issuance of \$279,828 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A (the "Local Bonds"), by Marshall County Sewerage District (the "Issuer"), and a Certificate as to Arbitrage executed by the Chairman of the Issuer on this date.

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

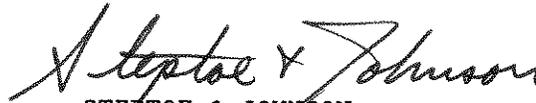
Accordingly, it is our opinion that, under existing statutes, regulations, rulings and judicial decisions of the United States of America, as

presently written and applied, the Local Bonds are not "arbitrage bonds" as so defined.

Assuming compliance with the certifications, representations, warranties and covenants contained in such Certificate as to Arbitrage, under existing statutes, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds from the sale of the Local Bonds in the Bond Construction Trust Fund described in such Certificate as to Arbitrage will not be subject to rebate to the United States under Section 148(f) of the Code.

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

Very truly yours,

  
STEPTOE & JOHNSON

11/20/90  
MCSDJ.I3  
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ATTORNEY AT LAW  
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November 26, 1990

Marshall County Sewerage District  
Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

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

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

Ladies and Gentlemen:

I am counsel to Marshall County Sewerage District, a public service district, in Marshall County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson, as bond counsel, a loan agreement and supplemental loan agreement, both dated November 26, 1990, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"), the Local Act (as defined therein) and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer and orders of The County Commission of Marshall County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. Terms used in said opinions, Local Act and Loan Agreement and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

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

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

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

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

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

6. The Issuer has received, or there have been entered, all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from The County Commission of Marshall County and the Public Service Commission of West Virginia, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered October 31, 1990, in Case No. 90-090-PSD-CN, among other things, approving and consenting to the issuance of the Bonds and granting to the Issuer a certificate of public convenience and necessity for the Project has not expired prior to the date hereof. However, the staff of the Public Service Commission of West Virginia has stated in a letter dated November 19, 1990, that it does not intend to appeal such Order. The Issuer has certified that it will not appeal such Order. Such Order is not subject to appeal by any other person.

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

West Virginia Water Development Authority, et al  
November 26, 1990  
Page 3

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

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

Very truly yours,



Don A. Barr

DAB:tab



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Marshall County Sewerage District, in Marshall County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the \$279,828 aggregate principal amount of Marshall County Sewerage District Sewer Revenue Bonds, Series 1990 A and Series 1990 B (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning as in the Bond and Notes Resolution of the Issuer adopted November 14, 1990, and a Supplemental Resolution adopted November 14, 1990 (collectively, the "Local Act").

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

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

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval and execution and delivery by the Issuer of the Loan Agreement, 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, which are secured by any revenues and/or assets of the System except as follows:

<u>Designation</u>	<u>Lien Position</u>
Sewer Revenue Bonds, Series 1987 A, dated March 18, 1987, issued in the original aggregate principal amount of \$89,940 (the "Series 1987 A Bonds")	First Lien (Parity with Series 1990 A Bonds)
Sewer Revenue Bonds, Series 1987 B, dated March 18, 1987, issued in the original aggregate principal amount of \$22,060 (the "Series 1987 B Bonds")	Second Lien (Parity with Series 1990 B Bonds)

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been

repealed, rescinded, amended, altered, supplemented or changed in any way unless modification appears from later documents also listed below:

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

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

Oaths of Office of current members of Public Service Board.

Bond and Notes Resolution.

Supplemental Resolution.

Rules of Procedure of Public Service Board.

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

Minutes of Current Year Organizational Meeting of Public Service Board.

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

Loan Agreement and Supplemental Loan Agreement.

EPA Grant Commitment, with Part B Amendment.

Other Grant Commitments.

Public Service Commission Order entered October 31, 1990.

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

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
John L. Blair, Jr.	December, 1984	December, 1990
Galen Beckley	December, 1982	February, 1988
Ronald L. Morris	December, 1986	December, 1992

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

Chairman - John L. Blair, Jr.  
Secretary/Treasurer - Galen Beckley

The duly appointed and acting counsel to Issuer is Don A. Barr, Moundsville, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where

applicable, in accordance with the Local Act. All insurance for the System required by the Local Act is in full force and effect. The System is not presently covered by policies of flood or business interruption insurance, but will be if such coverages are available at reasonable cost.

10. 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.

11. RATES: The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on October 31, 1990 (Case No. 90-090-PSD-CN), among other things, granting to the Issuer a Certificate of Public Convenience and Necessity for the Project, approving the rates and charges for the services of the System and approving and consenting to the issuance of the Bonds and the financing for the Project, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Final Order has not expired prior to the date hereof; however, the staff of the Public Service Commission of West Virginia has stated in a letter dated November 19, 1990, that it does not intend to appeal such Order. The Issuer will not appeal such Order.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, all dated November 26, 1990, by his manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon each of said Bonds and to be attested by his manual signature, and the Bond 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.

13. BOND PROCEEDS: On the date hereof the Issuer received from the Authority the agreed purchase price of the Bonds, being \$279,828 (100% of par value), there being no interest accrued thereon.

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

15. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions, to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal of, or interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate related business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit, other than use as a member of the general public. All of the foregoing have been and shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any amendments and successor provisions and the rules and regulations thereunder (the "Code").

16. GRANTS: As of the date hereof, the EPA has committed to the Issuer a grant in the approximate amount of \$984,750. Said commitment of EPA is, as of this date, in full force and effect. The

Other Grants are committed to the Issuer and as of this date remain in force and effect as follows:

Governor's Partnership Grant	\$100,000
Marshall County Commission Grant	65,000

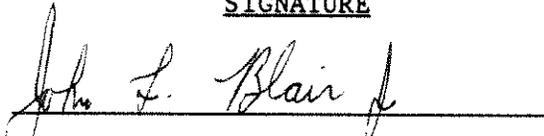
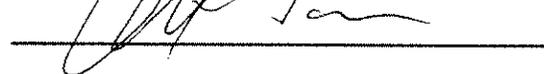
17. NO FEDERAL GUARANTY: The Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

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

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

WITNESS our signatures and the official seal of MARSHALL COUNTY SEWERAGE DISTRICT on this 26th day of November, 1990.

[CORPORATE SEAL]

<u>SIGNATURE</u>	<u>OFFICIAL TITLE</u>
 _____	Chairman
 _____	Secretary
 _____	Counsel to Issuer

11/20/90  
MCSDJ.K3  
55339/90001



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A

CERTIFICATE AS TO ARBITRAGE

I, JOHN L. BLAIR, JR., Chairman of the Public Service Board of Marshall County Sewerage District, in Marshall County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$267,737 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A, of the Issuer, dated November 26, 1990 (the "Local Bonds"), hereby certify as follows:

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

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on November 26, 1990, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable. The Bonds are issued pursuant to a Bond and Notes Resolution of the Issuer, adopted on November 14, 1990, as supplemented by a Supplemental Resolution, also adopted November 14, 1990 (such Bond and Notes Resolution, as so supplemented, herein called the "Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

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

6. The Local Bonds and the Series 1990 B Bonds (the "Supplemental Bonds"), which Supplemental Bonds bear no interest, were sold on November 26, 1990, to the West Virginia Water Development Authority (the "Authority") for an aggregate purchase price of \$279,828 (100% of par), there being no accrued interest paid thereon. The Supplemental Bonds are junior and subordinate to the Local Bonds. The Local Bonds and the Supplemental Bonds are collectively herein referred to as the "Bonds."

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

8. The Issuer shall, within 30 days following delivery of the Bonds, enter into agreements which require the Issuer to expend in excess of \$100,000 on the Project, constituting a substantial binding commitment, or has already done so. Acquisition, construction and equipping of the Project will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before January, 1992, except as otherwise required for rebate to the United States under Section 148(f) of the Code. Construction of the Project is expected to be completed by December, 1991.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$1,475,378. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of Local Bonds	\$ 267,737
Gross Proceeds of Supplemental Bonds	12,091
Investment Earnings	9,000
EPA Grant	984,750
Other Grants	165,000
Connection Fees	<u>36,800</u>
Total Sources	<u>\$1,475,378</u>

USES

Acquisition and Construction of Project	\$1,434,348
Capitalized Interest on Local Bonds	32,530
Costs of Issuance of Bonds	<u>8,500</u>
Total Uses	<u>\$1,475,378</u>

The amount of Project costs not expected to be reimbursed or paid from Supplemental Bond proceeds, Investment Earnings, Grant Receipts or Connection Fees is estimated to be at least equal to the gross proceeds of the Local Bonds. Except for the proceeds of the Local Bonds and the Supplemental Bonds, the Grant Receipts, Connection Fees and interest earnings during construction, no other funds of the Issuer will be available to meet costs of the Project, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

10. Pursuant to Article V of the Local Act, the following special funds or accounts have been created (or continued, if established by the Prior Resolution):

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
  - (a) Within the Renewal and Replacement Fund, the I & A Renewal and Replacement Reserve Account; and

- (b) The I & A New Connection Reserve Account;
- (3) Bond Construction Trust Fund;
- (4) Rebate Fund;
- (5) Series 1990 A Bonds Sinking Fund, and within the Series 1990 A Bonds Sinking Fund, the Series 1990 A Bonds Reserve Account; and
- (6) Series 1990 B Bonds Sinking Fund, and within the Series 1990 B Bonds Sinking Fund, the Series 1990 B Bonds Reserve Account.

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

(1) Local Bonds proceeds in the amount of \$32,530 will be deposited in the Series 1990 A Bonds Sinking Fund and applied to payment of interest on the Local Bonds during construction of the Project and for a period not to exceed six months following completion thereof.

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

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

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

the Project, deposited into the Bond Construction Trust Fund, and following completion of construction of the Project, will be deposited in the Revenue Fund, and such amounts will be applied in full, first to the next ensuing interest payments, if any, due on the respective series of Local Bonds and Supplemental Bonds, and then to the next ensuing principal payments due thereon.

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

assure payments of debt service on the Local Bonds and the Supplemental Bonds, respectively.

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

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

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

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

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

19. All the proceeds of the Local Bonds which were used for the payment of costs of the Project will be expended for such purposes within three years of July 11, 1990.

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

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

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

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

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

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

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

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

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

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

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

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

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

32. The Issuer shall submit to the Authority within 30 days following the end of each bond year a certified copy of its rebate calculation and a certificate with respect thereto or, if the Issuer qualifies for the small governmental issuer exception to rebate, or any other exception thereto, the Issuer shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

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

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

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

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

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

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

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

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

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

39. At least 75% of the available construction proceeds of the Bonds (as such term is defined in the Code) are to be used for construction expenditures with respect to property owned by the Issuer, and the Project will be owned by the Issuer. The Issuer will expend the available construction proceeds of the Bonds (other than any available construction proceeds held in the Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund) for the Project no later than the day which is two years after the date of issuance of the Bonds. Except for a reasonable retainage not exceeding 5% of the available construction proceeds of the Bonds, which will be spent within 3 years, the Issuer will expend the available construction proceeds (including, without limitation, investment proceeds earned before the close of the period involved on the investment of the sale proceeds of the Bonds) of the Bonds for the Project within the following periods beginning on the date of issuance of the Bonds:

Not less than 10 percent within 6 months,

Not less than 45 percent within 1 year,

Not less than 75 percent within 18 months, and

Not less than 100 percent within 2 years

The Issuer shall, within 30 days after the end of each six-month period described above, and every six-month period thereafter until all the proceeds of the Bonds have been expended for the Project, certify to the Authority the amount of expenditure from Bond proceeds as of the end of such period. The Issuer has elected the application of Section 148(f)(4)(C)(vii)(I) of the Code to the Bonds and has agreed to pay a penalty with respect to the close of each 6-month period after the date the Bonds are issued equal to 1-1/2 percent of the amount of the available construction proceeds of the Bonds which, as of the close of such period, are not spent as set forth in this paragraph. The Issuer has further elected to exclude earnings on amounts which may be deposited in the Series 1990 A Reserve Account from the definition of "available construction proceeds" in accordance with Section 148(f)(4)(C)(vi)(IV) of the Code.

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

principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

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

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

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

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

IN WITNESS WHEREOF, I have set my hand this 26th day of November, 1990.

MARSHALL COUNTY SEWERAGE DISTRICT

By John L. Blain Jr.  
Its Chairman

CERTIFICATE

The undersigned certifies that I am duly authorized to execute this Certificate on behalf of Vaughn Consultants, Inc., Consulting Engineers for Marshall County Sewerage District, and, based on the anticipated construction schedule and schedule of expenditures of the proceeds of the Bonds (as defined in the Certificate as to Arbitrage to which this Certificate is attached), the representations set forth in Paragraph 39 of such Certificate as to Arbitrage with respect to the expenditures of proceeds of the Bonds are reasonable.

Dated: November 26, 1990

VAUGHN CONSULTANTS, INC.

By

Its

*James H. Vaughn*  
*President*

11/20/90  
MCSDJ.L3  
55339/90001



MARSHALL COUNTY SEWERAGE

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

ENGINEER'S CERTIFICATE

I, DONALD R. VAUGHN, Registered Professional Engineer, West Virginia License No. 4404, of Vaughn Consultants, Inc., consulting engineers, of St. Clairsville, Ohio, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities (the "Project") of Marshall County Sewerage District, in Marshall County, West Virginia (the "Issuer"). The costs of such acquisition and construction are being financed in part by proceeds of the above-captioned bonds (the "Bonds") anticipated to be purchased by the West Virginia Water Development Authority (the "Authority").

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

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

WITNESS my signature on this 26th day of November, 1990.

[SEAL]

VAUGHN CONSULTANTS, INC.

By David R. Vaughn

11/16/90  
MCSDJ.M2  
55339/90001

DATE: 11-5-90AMENDED SCHEDULE ANAME OF GOVERNMENTAL AGENCY: WV Water Development Authority  
TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCINGA. Cost of Project

1. Construction		\$ <u>1,071,204</u>	
2. Technical Services		\$ <u>252,500</u>	
3. Legal and Fiscal		\$ <u>8,000</u>	
4. Administrative		\$ <u>12,000</u>	
5. Site and Other Lands		\$ <u>12,000</u>	
6. <del>Step I and/or Step II (Design)</del> <del>or Other Loan Repayment</del> <del>(Specify Type)</del>			
<u>Funded Future Connection Reserve</u>		\$ <u>10,000</u>	
7. Interim Financing Costs		\$ <u>7,000</u>	
8. Contingency		\$ <u>61,644</u>	
9. Total of Lines 1 through 8			\$ <u>1,434,348</u>

B. Sources of Funds

10. Federal Grants: <sup>1</sup> (Specify Source)	<u>EPA</u>	\$ <u>984,750</u>	
11. State Grants: <sup>1</sup> (Specify Source)	<u>Community Partnership</u>	\$ <u>100,000</u>	
		\$	
		\$	
12. Other Grants: <sup>1</sup> (Specify Source)	<u>Marshall Co. Commissioners</u>	\$ <u>65,000</u>	
13. Any Other Source <sup>2</sup> (Specify)	<u>Int. Income During Design</u> <u>Connection Fees</u>	\$ <u>9,000</u> \$ <u>36,800</u>	
14. Total of Lines 10 through 13			\$ <u>1,195,550</u>
15. Net Proceeds Required from Bond Issue (Line 9 less Line 14)			\$ <u>238,798</u>

C. Cost of Financing

16. Capitalized Interest (Construction period plus six months)		\$ <u>32,530</u>	
17. Funded Reserve Account <sup>3</sup>		\$	
18. Other Costs <sup>4</sup>		\$ <u>8,500</u>	
19. Total Cost of Financing (Lines 16 through 18)			\$ <u>41,030</u>
20. Size of Bond Issue (Line 15 plus Line 19)			\$ <u>279,828</u>

Attach supporting documentation not previously submitted. If not yet available, state such and expectations as to availability. 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). Consult with bond counsel and the Authority before assuming a funded reserve. 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.

John F. Blair Jr.  
APPLICANT

James R. Van Lan  
CONSULTING ENGINEER



DOBBS, ABRAHAM, MAJOR & CO.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 248  
MOUNDSVILLE, WEST VIRGINIA 26041

(304) 845-7314

November 26, 1990

Marshall County Sewerage District  
Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

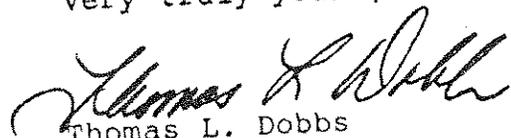
West Virginia Water Development Authority  
1201 Dunbar Avenue  
Dunbar, West Virginia 25065

Ladies and Gentlemen:

Based upon the rates and changes as set forth in the Final Order of the Public Service Commission of West Virginia, entered October 31, 1990 (Case No. 90-090-PSD-CN), and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Vaughn Consultants, Inc., consulting engineers, it is our opinion that such rates and changes will be sufficient to provide revenues which, together with other revenues of the sewerage system of Marshall County Sewerage District, will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 1990 A and Series 1990 B, to be issued to the West Virginia Water Development Authority and all other obligations secured or payable from the revenues of the System prior to or on a parity with such Bonds, including the Series 1987 A and 1987 B Bonds, heretofore issued by Marshall County Sewerage District.

It is our further opinion that the parity tests set forth in section 7.07 of the Resolution authorizing issuance of the Series 1987 A and Series 1987 B Bonds are, with respect to the Series 1990 B Bonds, fully satisfied.

Very truly yours,



Thomas L. Dobbs  
Certified Public Accountant



RESOLUTION  
MARSHALL COUNTY COMMISSION

Whereas many residents of Marshall County currently are exposed to health hazards due to the lack of a sewer system or treatment plant to properly dispose of human waste and:

Whereas many areas of Marshall County are not presently included in the territory of a legally constituted Public Service District which is empowered to plan, construct or operate a public sewage collection and treatment system and:

Whereas the Marshall County Commission is authorized by State law to establish a Public Service Sewer District to protect the health and welfare of its residents.

NOW THEREFORE BE IT RESOLVED that by motion of this Commission on the date indicated within this Resolution, it is proposed by the Marshall County Commission to establish a new Public Service Sewer District to be named Marshall County Sewer District. Such District's territorial description shall include all of Marshall County except the territory within the Marshall County Public Service District No. 1; Public Service Sewerage District A; and the incorporated town and municipal corporations of Benwood, McMechen, Glen Dale, Moundsville and Cameron. A more complete geographical description of the territory is attached and considered as part of this resolution.

BE IT FURTHER RESOLVED that the Commission sets the date of May 3, 1977 which is more than 20 days but less

than 40 days from this date for the conduct of a Public Hearing on this proposal. Such Public Hearing to be held at the following time and place. 10:00 A.M., May 3, 1977

Marshall County Court House, Grundyville, Mo.

BE IT FURTHER RESOLVED that the Clerk shall cause a notice of this Public Hearing to be published as a class I legal advertisement at least ten (10) days prior to the hearing and shall also post the notice in at least five (5) conspicuous places in the proposed District ten (10) days prior to the hearing. Said notices shall state the time, place and set forth a description of all of the territory to be included.

Approved this 29<sup>th</sup> day of March, 1977.

The motion was made by J. Donald Krupica and seconded by B. Charles Hughes.

ATTEST:

Norman J. Glover  
Clerk

Richard B. Ward  
President  
Marshall County Commission

GEOGRAPHICAL DESCRIPTION  
MARSHALL COUNTY SEWER DISTRICT

Beginning at a point on the Ohio-West Virginia State line, being the low water mark of the Ohio River, at the southwest corner of the City of McMechen.

Thence, from said point of beginning, and running in an easterly direction with the south boundary of said City, 1700', more or less, across the Ohio River to the west right-of-way line of W. Va. State Route 2; Thence, leaving the City of McMechen and running in a southeasterly direction 1050', more or less, with one of the lines of the enlarged Marshall County Public Service District #1 (set forth and described in the commission's order of November 30, 1976) to the northerly most corner of the Public Service Sewerage District "A"; Thence, with the lines of said District "A", S 46°05' W 5,990' to a point; Thence, S 01°51' E 1,340' to a point; Thence, crossing Glendale Hill Road, W. Va. State Route 86, S 84°59' E 745' to a point; Thence, S 13°37' W 1,630' to a point; Thence, crossing Little Grave Creek Road, S 74°20' E 300' to a point on the easterly right-of-way line of said roadway; Thence, with said easterly line N 36°37' E 1,405' to a point; Thence, leaving said Little Grave Creek Road, S 89°24' E 3,200' to a point; Thence, crossing Little Grave Creek and Little Grave Creek Road, N 23°17' E 5,855' to the center line of the Glendale Hill Road, W. Va. State Route 86, and the southwest boundary of the Glendale Heights Public Service District; Thence,

(with the lines of said Glendale Heights P.S.D. and the enlarged Marshall County Public Service District #1) running in a northwesterly direction at right angles to said Route 86, 500' to a point; Thence, in a northeasterly direction on a line parallel with and 500' from the center of said Route 86 to the center of Benwood Hill Road; Thence, in a southeasterly direction, with the centerline of said Benwood Hill Road, 500' to the centerline of the previously mentioned Glendale Hill Road (W. Va. State Route 86); Thence, in a southeasterly direction, at right angles to said Route 86, 5,280', more or less, to the northwestern boundary of Marshall County Public Service District #3; Thence, leaving the Glendale Heights Public Service District and running in a northeasterly direction, 2,210' to the northerly most corner of said Marshall County PSD #3; Thence, leaving said PSD #3 and running in an easterly direction with one of the lines of the enlarged Marshall County Public Service District #1, 3,780', more or less; Thence, running in a northerly direction, following the eastern boundary of PSD #1, 12,500', more or less; Thence, running in a westerly direction, following the northern boundary of PSD #1, 6,160', more or less; Thence, running in a northerly direction, following the eastern boundary of PSD #1, 3,510', more or less, to the Marshall County-Ohio County line; Thence, running in an easterly direction, following the Marshall County-Ohio County line, 46,070' more or less, to the West Virginia-Pennsylvania State line; Thence south, with the State line to the southeast corner of Marshall County; Thence, west, with the Marshall County-Wetzel County line to the Ohio-West

Virginia State line at the low water mark of the Ohio River;  
Thence, in a north-northeasterly direction with said Ohio-West  
Virginia line to the point of beginning.

Exempting and reserving from the above encompassed Dis-  
trict, all incorporated municipalities.

WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, NORMA GLOVER SINE, Clerk of the County Commission, of said County, do hereby certify that the foregoing writing is a true  
and correct copy as appears of record in my office in as filed Book No. \_\_\_\_\_ at Page No. \_\_\_\_\_, of said records.

Given under my hand this 17th day of March, 1987

Norma Glover Sine  
Clerk of the County Commission

MARSHALL COUNTY SEWER DISTRICT ESTABLISHED - The County Commission of Marshall County, on the 29th day of March, 1977, by motion of J. Donald Krupica and seconded by G. Charles Hughes, the County Commission resolved to establish a new sewer district to be named Marshall County Sewer District. Such District's territorial description shall include all of Marshall County except the territory within the Marshall County Public Service District No. 1, Public Service Sewerage District A, and the incorporated towns and municipal corporations of Benwood, McMechen, Glen Dale, Moundsville, and Cameron.

The Commission further resolved that a public hearing shall be held on May 3, 1977, at 10:00 o'clock, a.m., at the Marshall County Courthouse, Moundsville, West Virginia. Further, the Commission caused a Notice of the public hearing to be published in the Moundsville Daily Echo on April 4, 1977, all of the hereinabove acts pursuant to the West Virginia Code Chapter 16, Article 13A, Section 1 through 25, inclusive, designated Public Service District for Water and Sewerage Service.

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In accordance with the hereinabove actions, Notice, and resolution, a public hearing was held on May 3, 1977, at the Marshall County Courthouse, Moundsville, West Virginia, at which time no objections were voiced or submitted in opposition to the creation of such Public Sewer District. At said hearing the County Commission of Marshall County determined the feasibility of the Public Sewer District and determined that the creation of such Public Sewer District will be conducive of the preservations of public health, comfort and convenience of such designated geological area.

Thereupon, upon motion of Commissioner Hughes, seconded by Commissioner Krupica and passed unanimously, the County Commission of Marshall County does hereby ADJUDGE and ORDER the creation of a new Public Sewer District, hereinafter designated Marshall County Sewer District.



BLAIR REAPPOINTED TO SEWERAGE BOARD - Upon motion of Krupica, seconded by Byard,

Commission reappointed John Blair, Jr. to the Board of the Marshall County Sewerage District Board for a full term of six years, to expire December, 1990.

WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, NORMA GLOVER SINE, Clerk of the County Commission, of said County, do hereby certify that the foregoing writing is a true and correct copy as appears of record in my office in Order Book No. 27 at Page No. 230, of said records.

Given under my hand this 17th day of March, 1987.

*Norma Glover Sine*

Clerk of the County Commission

BECKLEY REAPPOINTED TO TERM ON SEWERAGE DISTRICT BOARD - Upon motion of Byard, seconded by Krupica, the Commission reappointed Mr. Galen Beckley to a full term of six years on the Marshall County Sewerage District Board, term ending December, 1988.

WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, NORMA GLOVER SINE, Clerk of the County Commission, of said County, do hereby certify that the foregoing writing is a true and correct copy as appears of record in my office in Order Book No. 26 at Page No. 400, of said records.

Given under my hand this 17th day of March, 1987.

Norma Glover Sine  
Clerk of the County Commission

SEWERAGE BOARD - Mark A. Karl, Counsel for the Marshall County Sewerage Board, appeared before the Commission to discuss several matters. Upon motion of Byard, seconded by [unclear], the Commission reappointed Ronald Morris to a six year term on the Sewerage Board. Mr. Karl requested that \$5,000.00 be transferred to the Board for operating expenses. The Commission agreed to review the budget. Mr. Karl also requested funds, in the amount of \$20,100.00, for the Washington Lands Sewerage Project. The Commission agreed that \$18,090.00 had been budgeted for this project. Upon motion of Krupica, seconded by Byard, the Commission ordered a letter sent to Mr. Karl noting the commitment of \$18,090.00.

WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, NORMA GLOVER SINE, Clerk of the County Commission, of said County, do hereby certify that the foregoing writing is a true and correct copy as appears of record in my office in Order Book No. 28 at Page No. 2, of said records.

Given under my hand this 17th day of March, 1987.

Norma Glover Sine  
Clerk of the County Commission



OATH

State of West Virginia, County of Marshall ss:

I, Galen Beckley, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of Board member of Marshall County Sewerage District for a full term of six years, term to expire December, 1988

to the best of my skill and judgment, so help me God.

*Galen Beckley*

Subscribed and sworn to before the undersigned, this the 17th day

of March, 19 87

*Norma Glover Jones*

Clerk County Commission, Marshall County, W. Va.

OATH

State of West Virginia, County of Marshall ss:

I, John Blair, Jr., do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of Board member of Marshall County Sewerage District for a full term of six years, term to expire December, 1990.

to the best of my skill and judgment, so help me God.

John R. Blair Jr.

Subscribed and sworn to before the undersigned, this the 17th day of March, 1987.

James G. [Signature]

Clerk County Commission, Marshall County, W. Va.

OATH

State of West Virginia, County of Marshall ss:

I, Ronald Morris, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of Board member of Marshall County Sewerage District for a full term of six years, term to expire December, 1992.

to the best of my skill and judgment, so help me God.

*Ronald Morris*

Subscribed and sworn to before the undersigned, this the 17th day of March, 19 87

*Thomas H. ...*

Clerk County Commission, Marshall County, W. Va.





(304) 845-2660  
PO BOX 369  
MOUNDSVILLE  
WV 26041

FED. ID NO. 55-0385-0173

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,  
COUNTY OF MARSHALL, to wit:  
Virginia Parker

I, \_\_\_\_\_, being first duly sworn upon my oath, do depose and say:  
— that I am Legal Advertising Manager of the MOUNDSVILLE DAILY ECHO, an Independent Democratic newspaper;  
— that I have been duly authorized by the publisher, Samuel Shaw, to execute this affidavit;  
— that such newspaper has been published for over 93 years, is regularly published afternoons daily except Sundays, for at least fifty weeks during the calendar year, in the municipality of Moundsville, Marshall county, West Virginia;  
— that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 50 of the Code of West Virginia 1931 as amended, within Moundsville and Marshall county;  
— that such newspaper averages in length four or more pages, exclusive of any cover, per issue;  
— that such newspaper is circulated to the general public at a definite price or consideration;  
— that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;  
— and that the annexed notice described as follows:

PARTY(ies)

Marshall Co. Sewerage District

NATURE (and agency if heard before one)

PSC certificate

CERTIF-BILL TO

Don Barr

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES | DATES  
2 | January 26, Feb. 2, 1990

By WORDS	OR	By INCHES	PUBLICATION CHARGES

(signed) *Virginia Parker*

NOTARIZATION

Taken, sworn to and subscribed before me this 12 day of March, 1990

*Marian L. Walton*

Notary public

MY COMMISSION EXPIRES MAY 25, 1992

LEGAL NOTICE  
PUBLIC NOTICE  
MARSHALL COUNTY  
SEWERAGE DISTRICT  
MARSHALL COUNTY,  
WEST VIRGINIA

Not To Exceed \$421,110  
Sewage Revenue Bonds Series 1990

NOTICE IS HEREBY GIVEN to the residents of Marshall County Sewerage District, Marshall County, West Virginia, that the District will seek approval from the Public Service Commission of West Virginia for a Certificate of Convenience and Necessity to build, construct, operate, and maintain a sewage collection and transmission system (the "Project") at Glen Dale town limits northeast along State Route 86, approximately two miles, and at Echo Valley, Little Grave Creek, from Lindy Lane in the Town of Glen Dale northeast along County Route 10, approximately one mile, all in Marshall County, West Virginia; and for approval of certain rates and charges, and proposed financing arrangements; and for approval of Contracts with the Town of Glen Dale and the City of Moundsville for the transmission and treatment of sewage.

The District contemplates financing the Project in part through the issuance of Sewage Revenue Bonds, Series 1990, in the principal amount not to exceed Four Hundred Twenty-One Thousand One Hundred Ten Dollars (\$421,110.00) bearing interest from the date of delivery at the rate not to exceed eight per cent (8%) per annum. Interest only on the Bonds is payable in monthly installments in the twenty-four (24) months after delivery of the Bonds, and thereafter, the principal and interest on the Bonds are payable in monthly installments of not to exceed Two Thousand Eight Hundred Thirty-One and 97/100 Dollars (\$2,831.97), except that the final installment shall be paid at the end of forty (40) years from the date of the Bond.

Public service properties to be acquired and constructed are 25,000 LF of variable gradient sewers, 1,500 LF of gravity sewers, 12,800 LF of force main, 118 septic tanks, 2 pumping stations, 1 master flowmeter vault and appurtenances.

The anticipated rates to be charged by the District for sewer service are:

**APPLICABILITY OF SERVICE**

Applicable within the territory served.

**AVAILABILITY OF SERVICE**

Available for general domestic and commercial service.

**RATES**

Customer Charge Not to exceed \$7.00 per month

Commodity Charge Not to exceed \$5.75 per 1,000 gallons used per month

**MINIMUM CHARGES**

Minimum charge for metered customers of \$24.25 per month based on a usage of 3,000 gallons.

Minimum charge for unmetered customers of \$32.88 per month based on a usage of 4,500 gallons.

**DELAYED PAYMENT PENALTY**

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

**CONNECTION FEE**

A connection fee of \$400.00 will be charged to each customer connected.

Formal application for a Certificate of Convenience and Necessity, approval of financing, approval of rates, and approval of Contracts with the Town of Glen Dale and the City of Moundsville will be filed on April 5, 1990.

A formal hearing on the application may be waived if no protest is made to the Public Service Commission of West Virginia within thirty (30) days of the application. The address of the Public Service Commission is 201 Brook Street, P.O. Box 812, Charleston, WV 25323.

**MARSHALL COUNTY SEWERAGE DISTRICT**

By John L. Blair, Jr.  
Chairman

Publish: January 26, February 2, 1990

.....

# MARSHALL COUNTY SEWERAGE DISTRICT

## BOARD MEMBERS

JOHN L. BLAIR, JR.  
GALEN BECKLEY  
RONALD L. MORRIS

## RULES OF PROCEDURE

### MARSHALL COUNTY SEWERAGE DISTRICT

#### ARTICLE I

##### NAME AND PLACE OF BUSINESS

Section 1. Name: MARSHALL COUNTY SEWERAGE DISTRICT

Section 2. The principal office of this Public Service District will be located at Glen Dale, Marshall County, West Virginia.

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

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

#### ARTICLE II

##### PURPOSE

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

#### ARTICLE III

##### MEMBERSHIP

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

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

#### ARTICLE IV

##### MEETINGS OF THE PUBLIC SERVICE BOARD

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

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

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

##### PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 4, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended, notice of the time and place of all regularly scheduled sessions of such Public Service Board, and the time, place and purpose of all

special sessions of such Public Service Board, shall be made available, in advance, to the public and news media as follows:

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

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

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

MARSHALL COUNTY SEWERAGE DISTRICT

NOTICE OF SPECIAL SESSION

The Public Service Board of Marshall County Sewerage District will meet in special session on \_\_\_\_\_, at \_\_\_\_\_ .m., prevailing time, at \_\_\_\_\_, West Virginia, for the following purposes:

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

2.

\_\_\_\_\_  
Secretary

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

## ARTICLE V

### OFFICERS

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

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in the month of January of such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

## ARTICLE VI

### DUTIES OF OFFICERS

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

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

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

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

## ARTICLE VII

### AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

MINUTES ON ADOPTION OF  
BOND AND NOTES RESOLUTION AND SUPPLEMENTAL RESOLUTION

I, GALEN BECKLEY, SECRETARY of the Public Service Board of Marshall County Sewerage District, hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

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The Public Service Board of Marshall County Sewerage District met in regular session, pursuant to notice duly posted, on the 14th day of November, 1990, at Glen Dale, West Virginia, at the hour of 7:30 p.m.

PRESENT: John L. Blair, Jr. - Member and Chairman  
Galen Beckley - Member and Secretary/  
Treasurer  
Ronald L. Morris - Member

ABSENT: None

Mr. Blair, Chairman, presided, and Mr. Beckley acted as Secretary.

The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

The Chairman presented a proposed Bond and Notes Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF MARSHALL COUNTY SEWERAGE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN \$100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, AND NOT MORE THAN \$500,000 INTERIM

CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion of Mr. Beckley, seconded by Mr. Blair, it was unanimously ordered that the said Bond and Notes Resolution be adopted and be in full force and effect on and from the date hereof.

The Chairman then presented a proposed Supplemental Resolution in writing entitled:

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

and caused the same to be read and there was discussion. Thereupon, on motion of Mr. Beckley, seconded by Mr. Blair, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

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I hereby certify that the foregoing action of said Public Service Board remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 26th day of November, 1990.

  
Secretary, Marshall County Sewerage  
District, Public Service Board

11/20/90  
MCSDJ.03  
55339/90001



# STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

CHARLES W. YEAGER  
CARL F. STUCKY, JR.  
HERBERT S. UNDERWOOD  
JACKSON L. ANDERSON  
OTIS L. O'CONNOR  
ROBERT G. STEELE  
J. LEE VAN METRE, JR.  
JAMES M. WILSON  
PATRICK D. DEEM  
ROBERT M. STEPTOE, JR.  
ANNE R. WILLIAMS  
JAMES R. WATSON  
JAMES D. GRAY  
DOUGLAS S. ROCKWELL  
VINCENT A. COLLINS  
JAMES A. RUSSELL  
LUCIEN G. LEWIN  
WILLIAM T. BELCHER  
MICHAEL L. BRAY  
JAMES D. STEPTOE  
DAVID C. CLOVIS  
DANIEL R. SCHUDA  
J. GREG GOODYKOONTZ  
IRENE M. KEELEY  
EVANS L. KING, JR.  
WALTER L. WILLIAMS  
SUSAN S. BREWER  
SPRAGUE W. HAZARD  
HERSCHEL H. ROSE III  
DAVID LAYVA  
GRAY SILVER III  
RONALD H. HANLAN  
C. DAVID MORRISON  
HARRY P. WADDLELL  
CLEMENT D. CARTER III  
W. HENRY LAWRENCE IV  
J. ROBERT GWYNNE  
WILLIAM E. GALEOTA  
CHRISTOPHER P. BASTIEN  
GORDON H. COPLAND  
RANDALL C. LIGHT  
STEVEN P. MCGOWAN  
RICHARD M. YURKO, JR.  
GARY W. NICKERSON  
CURTIS G. POWER III  
W. RANDOLPH FIFE  
MARTIN R. SMITH, JR.

715 CHARLESTON NATIONAL PLAZA

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

126 EAST BURKE STREET

MARTINSBURG, W. VA. 25401-4390

(304) 263-6991

FACSIMILE (304) 263-4785

1000 HAMPTON CENTER

P. O. BOX 1616

MORGANTOWN, W. VA. 26507-1616

(304) 598-8000

FACSIMILE (304) 598-8116

104 WEST CONGRESS STREET

P. O. BOX 100

CHARLES TOWN, W. VA. 25414-0100

(304) 725-1414

FACSIMILE (304) 725-1913

LOUIS E. ENDERLE, JR.  
ROBERT J. SCHIAVONI  
JOHN K. DORSEY  
WALTER WASHINGTON  
JOSEPH R. FERRETTI  
MARK E. KINLEY  
MARCIA J. POLLARD  
BRYAN R. COKELEY  
PATRICK D. KELLY  
FRANCESCA TAN  
CHRISTINE S. VAGLIENTI  
DAVID M. HAMMER  
WILLIAM F. ROHRBAUGH  
CAROLINE J. STAFFORD  
MATTHEW J. MULLANEY  
BRENT O. BURTON  
PAUL R. CRANSTON  
JONATHAN P. JESTER  
GINA M. HOUSEHOLDER  
MICHAEL KOZAKIEWICH, JR.  
CYNTHIA R. COKELEY  
MARK A. ATKINSON  
CAROLYN A. WADE  
CAROLINE A. HENRICH  
SHERRI L. MAZZA  
SUSAN C. OSENTON  
ARTHUR M. STANDISH  
CHARLES F. JOHNS  
PATRICK J. NOONEY  
LAURIE A. BADZEK  
DANIEL C. COOPER  
LAURIE L. CRYTSER  
O. GAY ELMORE, JR.  
KAREN E. KAHLE  
SUSAN L. KAHN  
AMY R. LAMP  
DOUGLAS G. LEE  
ANDREW L. PATERNOSTRO  
RONALD T. TOMASKO  
LUCI R. WELLBORN

OF COUNSEL  
RALPH BOHANNON

WRITER'S DIRECT DIAL NUMBER

November 26, 1990

Marshall County Sewerage District  
Sewer Revenue Bonds, Series 1990 A

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service  
Internal Revenue Service Center  
Philadelphia, Pennsylvania 19255

Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

*Vince Collins*  
STEPTOE & JOHNSON

Enclosures  
11/16/90  
8038.Ltr  
55339/90001

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**Information Return for Tax-Exempt Governmental Obligations**

Department of the Treasury  
Internal Revenue Service

Under Section 149(e)  
See separate instructions  
(Use Form 8038-GC if the issue price is under \$100,000)

<b>Part I Reporting Authority</b>		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name MARSHALL COUNTY SEWERAGE DISTRICT	2 Issuer's employer identification number 55-0637643	
3 Number and street 73 Sun Valley Road	4 Report number G19 90 -1	
5 City or town, state, and ZIP code Glen Dale, West Virginia 26038	6 Date of issue 11/26/90	
7 Name of issue Sewer Revenue Bonds, Series 1990 A	8 CUSIP Number N/A	

**Part II Type of issue (check box(es) that applies and enter the issue price)**

9 Check box if obligations are tax or other revenue anticipation bonds <input type="checkbox"/>	Issue price \$  267,737
10 Check box if obligations are in the form of a lease or installment sale <input type="checkbox"/>	
11 <input type="checkbox"/> Education	
12 <input type="checkbox"/> Health and hospital	
13 <input type="checkbox"/> Transportation	
14 <input type="checkbox"/> Public safety	
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	
16 <input type="checkbox"/> Housing	
17 <input type="checkbox"/> Utilities	
18 <input type="checkbox"/> Other. Describe (see Instructions) ▶	

**Part III Description of Obligations**

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	10/1/29	8.10 %	21,158	21,158			
20 Entire issue			267,737	267,737	28.22 years	%	8.2 %

**Part IV Uses of Original Proceeds of Bond Issues (including underwriters' discount)**

21 Proceeds used for accrued interest	21	32,530
22 Issue price of entire issue (enter line 20c)	22	267,737
23 Proceeds used for bond issuance costs (including underwriters' discount)	23	7,500
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	7,500
28 Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)	28	260,237

**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 ▶ \_\_\_\_\_ 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 ▶ W.Va. Water Development Authority and the date of the issue ▶ 7/11/90

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: John L. Blair Jr Date: 11/26/90 Type or print name and title: John L. Blair, Jr. Chairman



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: November 26, 1990

(See Reverse for Instructions)

ISSUE: MARSHALL COUNTY SEWERAGE DISTRICT SEWER REVENUE BONDS, SERIES 1990 A

ADDRESS: 73 Sun Valley, Glen Dale, WV 26038 COUNTY: Marshall

PURPOSE: New Money  Refunding  Refunds issue(s) dated: \_\_\_\_\_

ISSUE DATE: November 26, 1990 CLOSING DATE: November 26, 1990

ISSUE AMOUNT: \$ 267,737 RATE: 8.1%

1st DEBT SERVICE DUE: April 1, 1991 1st PRINCIPAL DUE: October 1, 1992

1st DEBT SERVICE AMOUNT: \_\_\_\_\_ PAYING AGENT: Municipal Bond Commission

ISSUERS	UNDERWRITERS
BOND COUNSEL: <u>Steptoe &amp; Johnson</u>	BOND COUNSEL: <u>Jackson &amp; Kelly</u>
Contact Person: <u>Vincent A. Collins, Esq.</u>	Contact Person: <u>Samme L. Gee, Esq.</u>
Phone: <u>624-8161</u>	Phone: <u>340-1318</u>
CLOSING BANK: <u>United National Bank - North</u>	ESCROW TRUSTEE: <u>One Valley Bank</u>
Contact Person: _____	Contact Person: <u>Charlotte Morgan</u>
Phone: <u>845-3367</u>	Phone: <u>348-7239</u>
KNOWLEDGEABLE ISSUER CONTACT	OTHER: _____
Contact Person: <u>John L. Blair, Jr.</u>	Contact Person: _____
Position: <u>Chairman</u>	Function: _____
Phone: <u>845-4090</u>	Phone: _____

DEPOSITS TO MBC AT CLOSE:

By <input type="checkbox"/> Wire	<input checked="" type="checkbox"/> Accrued Interest:	\$ _____
<input checked="" type="checkbox"/> Check	<input type="checkbox"/> Capitalized Interest:	\$ <u>32,530</u>
	<input type="checkbox"/> Reserve Account:	\$ _____
	<input type="checkbox"/> Other:	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By <input type="checkbox"/> Wire	<input type="checkbox"/> To Escrow Trustee:	\$ _____
<input type="checkbox"/> Check	<input type="checkbox"/> To Issuer:	\$ _____
<input type="checkbox"/> IGT	<input type="checkbox"/> To Cons. Invest. Fund:	\$ _____
	<input type="checkbox"/> To Other:	\$ _____

NOTES: \_\_\_\_\_

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: \_\_\_\_\_

TRANSFERS REQUIRED: \_\_\_\_\_

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: November 26, 1990

(See Reverse for Instructions)

ISSUE: MARSHALL COUNTY SEWERAGE DISTRICT SEWER REVENUE BONDS, SERIES 1990 B  
ADDRESS: 73 Sun Valley, Glen Dale, WV 26038 COUNTY: Marshall  
PURPOSE New Money  Refunding  Refunds issue(s) dated: \_\_\_\_\_  
OF ISSUE: November 26, 1990 CLOSING DATE: November 26, 1990  
ISSUE AMOUNT: \$12,091 RATE: 0.0%  
1st DEBT SERVICE DUE: October 1, 1992 1st PRINCIPAL DUE: October 1, 1992  
1st DEBT SERVICE AMOUNT: \_\_\_\_\_ PAYING AGENT: Municipal Bond Commission

ISSUERS UNDERWRITERS  
BOND COUNSEL: Steptoe & Johnson BOND COUNSEL: Jackson & Kelly  
Contact Person: Vincent A. Collins, Esq. Contact Person: Samme L. Gee, Esq.  
Phone: 624-8161 Phone: 340-1318  
CLOSING BANK: United National Bank - North ESCROW TRUSTEE: One Valley Bank  
Contact Person: \_\_\_\_\_ Contact Person: Charlotte Morgan  
Phone: 845-3367 Phone: 348-7239  
KNOWLEDGEABLE ISSUER CONTACT OTHER:  
Contact Person: John L. Blair, Jr. Contact Person: \_\_\_\_\_  
Position: Chairman Function: \_\_\_\_\_  
Phone: 845-4090 Phone: \_\_\_\_\_

DEPOSITS TO MBC AT CLOSE: \_\_\_\_\_  
By  Wire  Accrued Interest: \$ \_\_\_\_\_  
 Check  Capitalized Interest: \$ \_\_\_\_\_  
 Other: \_\_\_\_\_ Reserve Account: \$ \_\_\_\_\_  
Other: \_\_\_\_\_ Other: \$ \_\_\_\_\_

REFUNDS & TRANSFERS BY MBC AT CLOSE:  
By  Wire \_\_\_\_\_ To Escrow Trustee: \$ \_\_\_\_\_  
 Check \_\_\_\_\_ To Issuer: \$ \_\_\_\_\_  
 IGT \_\_\_\_\_ To Cons. Invest. Fund: \$ \_\_\_\_\_  
To Other: \_\_\_\_\_ To Other: \$ \_\_\_\_\_

NOTES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOR MUNICIPAL BOND COMMISSION USE ONLY:  
DOCUMENTS  
REQUIRED: \_\_\_\_\_  
TRANSFERS  
REQUIRED: \_\_\_\_\_  
\_\_\_\_\_



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

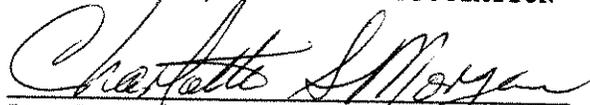
ACCEPTANCE OF DUTIES OF BOND REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in the City of Charleston, West Virginia, hereby accepts appointment as Bond Registrar in connection with Marshall County Sewerage District Sewer Revenue Bonds, Series 1990 A and Series 1990 B, both dated November 26, 1990, in the aggregate principal amount of \$279,828 and agrees to perform all duties of Bond Registrar in connection with such Bonds, all as set forth in the Local Act authorizing issuance of the Bonds.

Dated this 26th day of November, 1990.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By

  
Its Corporate Trust Administrative  
Officer

11/16/90  
MCSDJ.Q2  
55339/90001



MARSHALL COUNTY SEWERAGE DISTRICT

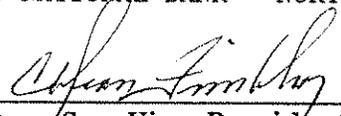
Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

UNITED NATIONAL BANK - NORTH, a national banking association, with principal office in Moundsville, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond and Notes Resolution of Marshall County Sewerage District, adopted November 14, 1990, authorizing issuance of the District's Sewer Revenue Bonds, Series 1990 A and Series 1990 B, both dated November 26, 1990, in the aggregate principal amount of \$279,828 (collectively, the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Resolution.

Dated this 26th day of November, 1990.

UNITED NATIONAL BANK - NORTH

By   
Its Sr. Vice President

11/16/90  
MCSDJ.R2  
55339/90001



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

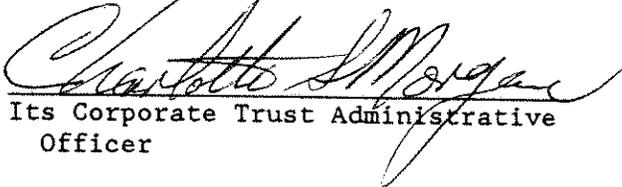
CERTIFICATE OF REGISTRATION OF BONDS

I, CHARLOTTE S. MORGAN, Corporate Trust Administrative Officer of ONE VALLEY BANK, NATIONAL ASSOCIATION, as Bond Registrar under the Local Act and the Bond Registrar's Agreement providing for the \$279,828 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B, of Marshall County Sewerage District (the "Issuer"), hereby certify that on the 26th day of November, 1990, the single fully registered Series 1990 A Bond of the Issuer in the principal amount of \$267,737 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 \$12,091 designated "Sewer Revenue Bond, Series 1990 B," numbered BR-1, were registered as to principal and interest (the Series 1990 B Bond being registered as to principal only) in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Bond Registrar.

WITNESS my signature as of this 26th day of November, 1990.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By

  
Its Corporate Trust Administrative  
Officer

11/16/90  
MCSDJ.S2  
55339/90001

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BOND REGISTRAR'S AGREEMENT

THIS BOND REGISTRAR'S AGREEMENT, dated as of the 26th day of November, 1990, by and between MARSHALL COUNTY SEWERAGE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Bond Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$279,828 aggregate principal amount of Sewer Revenue Bonds, Series 1990 A and Series 1990 B, in fully registered form (collectively, the "Bonds"), pursuant to a Bond and Notes Resolution adopted November 14, 1990, and a Supplemental Resolution adopted November 14, 1990 (collectively, the "Local Act");

WHEREAS, capitalized words and terms used in this Bond 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 Bond Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Local Act and this Bond Registrar's Agreement does appoint, the Bond Registrar to act as Bond 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 Bond Registrar's Agreement by the Issuer and the Bond Registrar and during the term hereof, the Bond Registrar does accept and shall have and carry out the powers and duties of Bond Registrar for the Bonds, all as set forth in the Local Act, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar

regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bond Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Bond Registrar and to furnish the Issuer with the names and specimen signatures of the Bond Registrar's authorized officers for the purposes of acting as the Bond Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Bond 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 Bond Registrar pursuant to this Bond Registrar's Agreement, the Issuer hereby agrees to pay to the Bond 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 Bond Registrar's Agreement shall carry out and implement provisions of the Local Act with respect to the Bond Registrar. In the event of any conflict between the terms of this Bond Registrar's Agreement and the Local Act, the terms of the Local Act shall govern.

6. The Issuer and the Bond Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Bond 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 Bond Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Marshall County Sewerage District  
73 Sun Valley  
Glen Dale, West Virginia 26038  
Attention: Chairman

REGISTRAR: One Valley Bank, National Association  
Post Office Box 1793  
One Valley Square  
Charleston, West Virginia 25326  
Attention: Corporate Trust Department

8. The Bond Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Local Act.

IN WITNESS WHEREOF, MARSHALL COUNTY SEWERAGE DISTRICT and ONE VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Bond Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

MARSHALL COUNTY SEWERAGE DISTRICT

By John L. Blair Jr.  
Its Chairman

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlette S. Morgan  
Its Corporate Trust Administrative  
Officer

11/16/90  
MCSDJ.T2  
55339/90001

EXHIBIT A

[Included in transcript as Document No. 1]

SCHEDULE OF COMPENSATION

# Invoice

ONE VALLEY  
BANK

MARSHALL COUNTY SEWERAGE DISTRICT  
ATT: CHAIRMAN  
MOUNDSVILLE, WV 26041

DATE NOVEMBER 26, 1990

UNITS	ITEM DESCRIPTION	TOTAL
	MARSHALL COUNTY SEWERAGE DISTRICT SEWER REVENUE BONDS, SERIES 1990 A AND SERIES 1990 B.  ONE TIME FEE FOR SERVICES AS REGISTRAR AND AUTHENTICATING AGENT AT PRE-CLOSING 11/21/90.	\$500.00

SEND REMITTANCE TO: One Valley Bank  
One Valley Square  
P.O. Box 1793  
Charleston, WV 25326

Attn: CHARLOTTE S. MORGAN

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto One Valley Bank, National Association, Charleston, West Virginia, the Sewer Revenue Bond, Series 1990 A, of Marshall County Sewerage District in the principal amount of \$267,737, numbered AR-1, standing in the name of West Virginia Water Development Authority on the books of said Issuer.

Dated: November 26, 1990.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Barbara B. Meadows  
Authorized Representative

11/16/90  
MCSDJ.U2  
55339/90001



AGREEMENT BETWEEN  
CITY OF GLEN DALE  
AND  
MARSHALL COUNTY SEWERAGE DISTRICT

THIS AGREEMENT, Made the 14<sup>TH</sup> day of May, 1990, by and between the CITY OF GLEN DALE, a municipal corporation, hereinafter designated as GLEN DALE, and the MARSHALL COUNTY SEWERAGE DISTRICT, hereinafter designated as the DISTRICT, a special purpose district created by resolution of the Marshall County Commission.

WHEREAS, the DISTRICT proposes to connect and deliver sewage to the sewer system of GLEN DALE at a location on Baltimore at Railroad Streets, and which sewage will be transported by GLEN DALE for treatment by the City of Moundsville; and

WHEREAS, GLEN DALE has a treatment capacity of 462,000 gallons per day at the Moundsville facility reserved for use by GLEN DALE; and

WHEREAS, the DISTRICT is proposing to use a portion of GLEN DALE's treatment capacity up to an amount of 30,030 gallons per day; and

WHEREAS, it is the intent and purpose of these contracting parties to cooperate with each other, and with the State and Federal Authorities to reduce and prevent pollution of the streams and waterways, thereby protecting the health of the inhabitants and serving the public health and welfare of all; and

WHEREAS, GLEN DALE on the 14<sup>TH</sup> day of May, 1990, enacted an ordinance approving the terms and conditions of this agreement, which terms and conditions were heretofore fixed by the Sanitary Board of the City of GLEN DALE; and

WHEREAS, the DISTRICT on the 20 day of May, 1990, enacted a resolution approving the terms and conditions of this agreement,

which terms and conditions were heretofore fixed by the Board of the DISTRICT.

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants agree as follows:

1. GLEN DALE agrees to receive into its intercepting sewers the sanitary sewage discharged from the DISTRICT's aforementioned sewers at an agreed point of connection so long as the flows and strengths are equal to, or lower than those for which GLEN DALE has reserved for the DISTRICT. If additional commercial and/or residential development within the service area of the Glen Dale Heights/Echo Valley system requires greater capacities, GLEN DALE shall negotiate with the DISTRICT and the City of Moundsville as required, in good faith, and sell additional capacity to the DISTRICT if available.
2. The DISTRICT agrees to maintain its sewers in good condition, to contain infiltration and inflow so that the total flow does not exceed the reserve capacity of 30,030 gallons per day, or such greater amount as may be negotiated, to adopt a user charge system in accordance with current and future guidelines as promulgated by Federal and State authorities having jurisdiction over such matters, and to cooperate with GLEN DALE in its efforts to comply with any requirements of a higher authority.
3. The DISTRICT shall provide a recording meter located at Lindy Lane and Baltimore Avenue in the City of Glen Dale. The DISTRICT shall maintain the recording meter to ascertain flow delivered by the DISTRICT to GLEN DALE. GLEN DALE shall have the privilege of meter inspection and calibration checks. Samples of flows shall be taken periodically by GLEN DALE as deemed necessary by same to ascertain relative strength of sewage. The DISTRICT

shall produce flow charts as permanent records and shall provide GLEN DALE duplicates of these records in a routine manner.

4. The DISTRICT shall pay annual applicable debt service costs of the Moundsville/Glen Dale Wastewater Treatment Facility and the City of Glen Dale Pumping Station and Force Main based on the treatment plant capacity reserved for its use. The amount reserved for use by the DISTRICT is 30,030 gallons per day, which represents 6.5% of the original 20% capacity reserved for use by GLEN DALE. Debt service costs are defined as the local share expended by GLEN DALE relating to the construction costs of the treatment plant, pumping station and force main.
5. The DISTRICT will reimburse GLEN DALE for handling and treating its waste on the basis of proportionate sharing of operation and maintenance costs relating to the treatment facility, pumping station and force main, which operating costs are defined as the cost of labor, power, chemicals, vehicle expenses, maintenance, repair, replacement, improvement, and administrative expenses.
6. The proportionate share paid by the DISTRICT will be based on actual sewage flows. The DISTRICT's flow will be metered and compared to the total flow treated at the Moundsville/Glen Dale Wastewater Treatment Facility.
7. The account numbers used in calculating the DISTRICT's share of treatment expense shall be:

228	Taxes Accrued
741	Operation, Supervision & Engineering
742	Operation Labor
743-1	Supplies and Expenses

743-2 Chemical Treatment Expenses  
744 Maintenance Supervision & Engineering  
745 Maintenance of Structures and Improvements  
746 Maintenance of Treatment & Disposal System Equipment  
795 Special Services  
797 Regulatory Commission Expenses  
798 Insurance  
799 Injuries and Damages  
800-1 Employee's Welfare Expenses  
800-2 Pensions

8. GLEN DALE will bill the DISTRICT on a monthly basis for these services. The amount of this will will initially be based on projected operation, maintenance, and debt service costs.
9. The total annual cost paid by the DISTRICT to GLEN DALE will be adjusted at the end of the first year to account for actual vs. projected operation and maintenance costs.
10. Any adjusted amounts due or receivable upon completion of the annual review of expenses shall be prorated over three months.
11. GLEN DALE will provide the DISTRICT with financial reports verifying the costs of operation and maintenance items and the flows treated at the plant.
12. GLEN DALE will, after service to the DISTRICT is in effect, provide the DISTRICT, at least annually, with:
  - (1) A copy of its annual report filed with the Public Service Commission of West Virginia.
  - (ii) A copy of such audited financial statements as GLEN DALE provides for holders of revenue bonds

issued by GLEN DALE, payable from revenues of its sewer system.

- (iii) A copy of all reports of audit of its records prepared by its auditors or by the State or Federal auditors.

13. This Agreement shall continue in full force and effect for a period of forty (40) years.

14. Use of Connecting Sewers

A. Except as hereinafter provided, the DISTRICT shall not discharge or cause to be discharged any of the following described waters or wastes into GLEN DALE's system:

- (1) Any liquid or vapor having a temperature higher than 150 degrees Fahrenheit (65 degrees Centigrade).
- (2) Any waters or wastes which contain grease or oil or other substance that will solidify or become discernibly viscous at temperatures between 32 degrees and 150 degrees Fahrenheit.
- (3) Any waters or wastes containing emulsified oil and grease exceeding an average of 50 parts per million (417 pounds per million gallons) other soluble matter.
- (4) Any gasoline, benzine, naphtha, fuel oil, or mineral oil or other flammable or explosive liquid, solid or gas.

B. "Normal Sanitary Sewage" shall be construed to fall within the following ranges:

(1)	CONSTITUENTS	NORMAL RANGE
	Suspended Solids	180 to 350 ppm
	B.O.D.	140 to 300 ppm
	Chlorine Demand	5 to 15 ppm

The admission into the public sewers of any waters or wastes exceeding the "normal sanitary sewage" limits shall be subject to the review and approval of the Sanitary Board of GLEN DALE.

- (2) The DISTRICT shall require its users to install and maintain grease, oil and sand interceptors when in the opinion of the Sanitary Board of GLEN DALE they are necessary for the proper handling of liquid wastes containing grease in excessive amounts or any flammable wastes, sand and other harmful ingredients, except that such interceptors shall not be required for private living quarters or dwelling units. The DISTRICT shall require that all grease, oil and sand interceptors shall be of type and capacity approved by the Sanitary Board of GLEN DALE.
- (3) When required by GLEN DALE through its Sanitary Board or otherwise, the DISTRICT shall install or cause to be installed in the sewer of the owner of any property contributing industrial waste to the DISTRICT sewer system a suitable control manhole in order to facilitate observation, sampling, and measurement of waste. Such manhole, when required, shall be accessible and safely located and shall be constructed in accordance with plans approved by GLEN DALE.
- (4) All measurements, tests and analyses of the characteristics of waters and wastes to which

reference is made shall be determined in accordance with the current edition of "Standard Methods of Examination of Water and Sewage."

- (5) Any noxious or malodorous gas such as hydrogen sulfide, sulfur dioxide or nitrous oxide or other substance, which either singly or by interaction with other wastes, is capable of creating a public nuisance or hazard to life or of preventing entry into sewers for their maintenance and repair.
- (6) Any garbage that has not been properly pulverized or ground to fine powder.
- (7) Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, paunch manure, hair and fleshing, entrails, lime slurry, lime residues, beer and distillery slops, chemical residues, paint residues, cannery waste, bulk solids or any other solid or viscous substance capable of causing obstruction to the flow of the sewers or other interference with the proper operation of the sewage system.
- (8) Any waters or wastes, acid and alkaline in reaction, having corrosive properties capable of causing damage or hazard to structures, equipment and personnel of the sewage system. Free acids and alkalies must be neutralized, at all times, within a permissible pH range of 6.0 or 9.6.
- (9) Any cyanides in excess of two parts per million by weight as Cn.
- (10) Any long half-life (over 100 days) of toxic radioactive isotopes without a specific permit.

- (11) Any waters or wastes that, for a duration of 15 minutes, have concentration greater than five (5) times the average of that of "normal sanitary sewage" (defined in Paragraph B(1) of this section).
- (12) The DISTRICT shall not discharge, permit, or cause to be discharged any waters or wastes containing a toxic or poisonous substance, a high chlorine demand or suspended solids in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the receiving waters or the effluent of GLEN DALE's sewage treatment plant. Such toxic substances shall be limited to the average concentrations listed hereinafter in the sewage as it arrives at the treatment plant and at no time shall the hourly concentration at the treatment plant exceed three (3) times the average concentration. If concentrations listed are exceeded, individual establishments will be subject to control in volume and concentration by the DISTRICT and appropriate action will be taken by the DISTRICT to meet the requirements of the Sanitary Board of GLEN DALE.

#### LIMITS OF TOXIC SUBSTANCES IN SEWAGE

Iron, as Fe	5.0 ppm
Chromium, as Cr (hexavalent)	3.0 ppm
Copper, as Cu	0.2 ppm
Chlorine Requirement	15.0 ppm
Phenol	10.0 ppm
Cyanide, as Cn	0.1 ppm
Cadmium, as Cd	0.3 ppm
Zinc, as Zn	0.3 ppm
Nickel, as Ni	2.0 ppm

(13) No statement contained in this article shall be construed as preventing any special agreement or arrangement between GLEN DALE and the DISTRICT to handle industrial waste of unusual strength or character which may be accepted by the DISTRICT so long as GLEN DALE has the capabilities to handle said industrial waste of unusual strength and character.

GLEN DALE and the DISTRICT agree to submit this agreement to any and all State and Federal agencies which, by law, have final approval of this Agreement.

IN WITNESS WHEREOF, the CITY OF GLEN DALE has caused this Agreement to be signed on its behalf by its Mayor, and its corporate seal to be hereunto affixed by its City Clerk, by authority of an Ordinance of the Council of the CITY OF GLEN DALE, duly adopted on the 14<sup>TH</sup> day of MAY, 1990, and also IN WITNESS WHEREOF, the MARSHALL COUNTY SEWERAGE DISTRICT has caused this Agreement to be signed on its behalf by its Chairman, by authority of Resolution of the ~~N/A Sanitary Board of the~~ MARSHALL COUNTY SEWERAGE DISTRICT, duly adopted on the 20 day of May, 1990.

THE CITY OF GLEN DALE

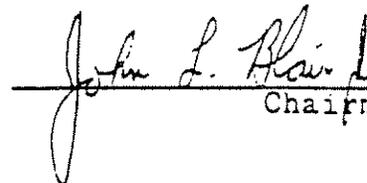
(SEAL)

By:

  
\_\_\_\_\_  
Mayor

MARSHALL COUNTY SEWERAGE DISTRICT

By:

  
\_\_\_\_\_  
Chairman

# CITY OF GLEN DALE

402 WHEELING AVENUE  
GLEN DALE, WEST VIRGINIA 26038  
JON R. SAFFELL, MAYOR

TELEPHONE 845-5571



October 17, 1990

Mr. John L. Blair, Jr.  
Chairman  
Marshall County Sewerage District  
73 Sun Valley  
Glen Dale, WV 26038

Reference: Marshall County Sewerage District  
Glen Dale Heights Sewer PSC Case # 90-090-PSD-CN

Dear Mr. Blair:

We have received a letter from your engineers, Vaughn Consultants, Inc., regarding the transportation and capacity reserve cost that the PSD would pay the City of Glen Dale. According to our previous information, this cost was projected to be \$0.92/m gallons. We noted that the final order from the PSC increased this to \$1.01/m gallons.

The City has no objections to the change and is aware that the cost is to be reviewed and submitted to the Public Service Commission at a later date.

We hope that your project will proceed on schedule.

Sincerely,

City of Glen Dale

Jon Saffell, Mayor

JS:jb

cc: H. Cunningham





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

May 22, 1990

LARRY W. GEORGE  
 Deputy Director

Mr. John L. Blair, Jr., Chairman  
 Marshall County Sewerage District  
 73 Sun Valley  
 Glen Dale, WV 26038

Re: WV/NPDES Permit No. WV0081612  
 Washington Lands STP - Letter of  
 Addendum

Dear Mr. Blair:

This letter serves as Modification No. 2 of your existing WV/NPDES Water Pollution Control Permit No. WV0081612 dated the 4th day of June 1986.

After review of Modification Application No. WV0081612-B dated the 28th day of June 1989, the above referenced permit is hereby modified to incorporate the following:

To construct, install, operate, and maintain a sewage collection system consisting of 25,047 linear feet of 4 inch variable gradient sewers, 4,020 linear feet of 2 inch septic tank effluent drain, 1,216 linear feet of 6 inch and 4 inch gravity sewers, 10,864 linear feet of 6 inch, 4 inch, 2 inch, and 1 1/2 inch force main, 120 septic tanks, 21 STEP pumps, 2 duplex pump stations, 1 chemical injection station, and modifications to an existing pump station.

Facilities to be constructed in accordance with:

Plans and Specifications:

Date Approved: March 8, 1990 by Construction Grants

Prepared By: Vaughn Consultants, Inc.

Title: Marshall County Sewerage District, Marshall County, WV, Glen Dale Heights Sewers - EPA No. C-540721

The sewage collection system is designed to serve the communities of Glen Dale Heights and Echo Valley in Marshall County and is to convey sewage to the Glen Dale sewage collection system which conveys sewage to the City of Moundsville sewage system for its ultimate treatment and discharge.

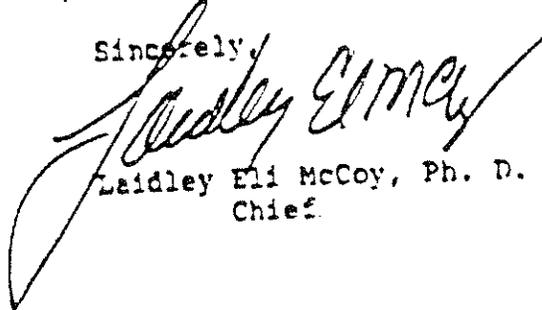
Marshall County Sewerage District

Page 2

May 22, 1990

All other terms and conditions of the subject permit shall remain in effect and unchanged.

Sincerely,

A handwritten signature in cursive script, reading "Laidley Eli McCoy". The signature is written in black ink and is positioned above the typed name and title.

Laidley Eli McCoy, Ph. D.  
Chief

LEM:rc1



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

CONSENT TO ISSUANCE OF PARITY BONDS

Notwithstanding anything to the contrary which may be provided in the Resolution of Marshall County Sewerage District (the "Issuer") adopted March 16, 1987, authorizing issuance of the Sewer Revenue Bonds, Series 1987 A and Series 1987 B, of the Issuer (the "Prior Bonds"), West Virginia Water Development Authority, as sole holder of the Prior Bonds, hereby consents to the issuance on or about November 26, 1990 of the Issuer's \$267,737 Sewer Revenue Bonds, Series 1990 A, on parity with respect to lien and sources of and security for payment, with the Series 1987 A Bonds.

Dated this 26th day of November, 1990.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By Daniel B. Yonkasky  
Its Executive Director

11/20/90  
MCSDJ.X1  
55339/90001



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

1. ASSISTANCE ID NO. C-540721-02-0  
 2. LOG NUMBER Three-C  
 3. DATE OF AWARD SEP 25 1987  
 4. MAILING DATE OCT 02 1987

5. AGREEMENT TYPE  
 Cooperative Agreement  Grant Agreement  Assistance Amendment

6. PAYMENT METHOD  
 Advance  Reimbursement  Letter of Credit

Send Payment Request To: Grants Management Branch

7. TYPE OF ACTION: Continuation

8. RECIPIENT  
 Marshall County Sewerage District  
 73 Sun Valley  
 Glen Dale, West Virginia 26038

9. PAYEE  
 Marshall County Sewerage District  
 73 Sun Valley  
 Glen Dale, West Virginia 26038

EIN NO. \_\_\_\_\_ CONGRESSIONAL DISTRICT 1st

10. RECIPIENT TYPE: Special Purpose District

11. PROJECT MANAGER AND TELEPHONE NO.  
 John Blair, Jr., Chairman  
 (304) 835-4090

12. CONSULTANT (WWT Construction Grants Only)  
 Vaughn Consultants, Incorporated  
 47465 National Road  
 St. Clairsville, Ohio 43950

13. ISSUING OFFICE (City/State)  
 Philadelphia, Pennsylvania

14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.  
 R. Fenton Roudabush, Chief  
 Virginia-West Virginia Section  
 (215) 597-9131

15. EPA CONGRESSIONAL LIAISON & TEL. NO.  
 Patricia Gaskins (202) 382-5184

16. STATE APPL ID (Clearinghouse) \_\_\_\_\_

17. FIELD OF SCIENCE: N/A

18. PROJECT STEP (WWT CG Only): II/III

19. STATUTORY AUTHORITY: Clean Water Act, Title II

20. REGULATORY AUTHORITY: 40 CFR Parts 30 & 35

21. STEP 2 + 3 & STEP 3 (WWT Construction Only)

a. Treatment Level	1
b. Project Type	NEW
c. Treatment Process	E
d. Sludge Design	5

22. PROJECT TITLE AND DESCRIPTION: Design and construction of sewer facilities including 28,800 LF of sewer line, 3,600 LF of force main, 2 meter stations, one lift station and appurtenances. The eligible project includes allowable associated costs as defined in 40 CFR 35.2250 up to the amounts shown in Part II of the Assistance Agreement.

23. PROJECT LOCATION (Areas Impacted by Project)

City/Place: Glen Dale	County: Marshall	State: WV	Congressional District: 1st
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24. ASSISTANCE PROGRAM (CFDA Program No. & Title): 66.418

25. PROJECT PERIOD: 09/87 - 01/91

26. BUDGET PERIOD: N/A

27. COMMUNITY POPULATION (WWT CG Only): 384

28. TOTAL BUDGET PERIOD COST: N/A

29. TOTAL PROJECT PERIOD COST: 1,285,300

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action		706,910	
EPA In-Kind Amount			
Unexpended Prior Year Balance			
Other Federal Funds			
Recipient Contribution			
State Contribution			
Local Contribution			
Other Contribution			
Allowable Project Cost		1,285,300	

Program Element: SAW80	FY: 87	Appropriation: 68X0103.K	Doc. Control No.: W87007	Account Number: 7GSA036006	Object Class: 41.11	Colligation/Desbiig. Amount: \$706,910
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TABLE A - OBJECT CLASS CATEGORY (Non-construction)		TOTAL APPROVED ALLOWABLE BUDGET PERIOD COST
1. PERSONNEL		
2. FRINGE BENEFITS		
3. TRAVEL		
4. EQUIPMENT		
5. SUPPLIES		
6. CONTRACTUAL		
7. CONSTRUCTION		
8. OTHER		
9. TOTAL DIRECT CHARGES		
10. INDIRECT COSTS: RATE % BASE		
11. TOTAL (Share: Recipient _____% Federal _____%)		
12. TOTAL APPROVED ASSISTANCE AMOUNT	\$	N/A
TABLE B - PROGRAM ELEMENT CLASSIFICATION (Non-construction)		
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12. TOTAL (Share: Recipient _____% Federal _____%)		
13. TOTAL APPROVED ASSISTANCE AMOUNT	\$	N/A
TABLE C - PROGRAM ELEMENT CLASSIFICATION (Construction)		Basic (55%)
1. ADMINISTRATION EXPENSE		2,000
2. PRELIMINARY EXPENSE		
3. LAND STRUCTURES, RIGHT-OF-WAY		
4. ARCHITECTURAL ENGINEERING BASIC FEES		30,034
5. OTHER ARCHITECTURAL ENGINEERING FEES		10,500
6. PROJECT INSPECTION FEES		91,000
7. <del>PROJECT COORDINATOR</del> Project Coordinator		10,000
8. <del>LEGAL FEES</del> Legal		8,000
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES		
10. DEMOLITION AND REMOVAL		
11. CONSTRUCTION AND PROJECT IMPROVEMENT	104,519	973,550 = 70,691
12. EQUIPMENT		
13. <del>DESIGN ALLOWANCE</del> Design Allowance		62,942
14. TOTAL (Lines 1 thru 13)		
15. ESTIMATED INCOME (If applicable)		
16. NET PROJECT AMOUNT (Line 14 minus 15)		
17. LESS: INELIGIBLE EXCLUSIONS		
18. ADD: CONTINGENCIES		97,274 - 70,691 = 26,583
19. TOTAL (Share: Recipient <u>45</u> % Federal <u>55</u> %)		1,285,300
20. TOTAL APPROVED ASSISTANCE AMOUNT	\$	706,910

PART III-AWARD CONDITIONS

a. GENERAL CONDITIONS

The recipient covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this agreement, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The recipient warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFP Part 30, and (2) any special conditions set forth in this assistance agreement or any assistance amendment pursuant to 40 CFR 30.425.

b. SPECIAL CONDITIONS

*(For cooperative agreements include identification or summarization of EPA responsibilities that reflect or contribute to substantial involvement.)*

The grantee is subject to all the requirements of 40 CFR Part 35, Subpart I, Part 30, Part 33 and other pertinent regulations. The grantee is directed to certain following special considerations of those requirements.

1. Regulations Affecting Federal Grant Payments

(a) Payments shall not be made for Step III professional services until the grantee complies with the procurement requirements of 40 CFR Part 33, Subpart A.

(b) Payments shall be made in accordance with 40 CFR 35.2300.

2. Project Schedule

EPA's policy requires that projects be initiated, constructed, and placed in operation in a timely manner. For that reason, the schedule shown below, which was developed in conjunction with your grant application, is included as a special condition. The grantee is expected to take all appropriate actions to ensure that this schedule is maintained.

In the event that the project is delayed for reasons beyond the control of the grantee, this schedule may be revised. If the delay arises from mismanagement and could otherwise have been avoided, the schedule will not be revised, in which case EPA will be compelled to determine if ineligible incremental costs have been incurred as a result.

3. Project Initiation (40 CFR 35.2212)

Construction is expected to be initiated on the following schedule.

Failure of the grantee to initiate construction of all major contracts within 12 months of approval of plans and specifications will result in disallowance of incremental costs in accordance with 40 CFR 35.2212, "Project Initiation".

	<u>Date</u>		
Plans and Specifications approval	<u>09/88</u>	_____	_____
Bid Advertisement	<u>10/88</u>	_____	_____
Construction Contract Award	<u>03/89</u>	_____	_____
Construction Start (NTP)	<u>03/89</u>	_____	_____

4. Grant Payment Milestones (40 CFR 35.2206)

Grant payments cannot exceed 50% of the Federal share unless the grantee has furnished a satisfactory final plan of operation, and cannot exceed 90% unless the grantee has furnished a satisfactory Operations and Maintenance Manual. The following dates represent an estimate of the timing of those payments.

Final Plan of Operation Approval	<u>09/88</u>
Operation and Maintenance Manual Approval	<u>12/89</u>

5. Sewer Use Ordinance and User Charge System (40 CFR 35.2208)

The sewer use ordinance must be adopted, and the user charge system implemented, before the system is placed in operation. The following dates represent an estimate of that operational date.

Sewer Use Ordinance Adoption	<u>10/88</u>
User Charge System Implementation	<u>10/88</u>

6. Notice of Building Completion (40 CFR 35.2216)

Grantee agrees to notify the State when construction is completed and also agrees to submit a preliminary final payment request on schedule.

Grantee's request to State for final physical inspection	<u>01/90</u>
Preliminary Final Payment Request	<u>01/90</u>

7. Project Performance (40 CFR 35.2218)

Federal Regulations place special emphasis on the performance of the project. It is vitally important that the facility performs as designed and on schedule. The grantee, therefore, agrees to initiate operation and certify performance by the dates below. It is likewise important that the final Federal share of the project be determined at the earliest possible date. The grantee, therefore, agrees to submit its request for final payment in accordance with this schedule.

Initiation of Operation	<u>02/90</u>
Project Performance Certification	<u>02/91</u>
Final Payment Request	<u>02/91</u>

8. Project Replacement

The grantee shall inform the Regional Administrator within two years after the initiation of the operation of the project if the project is failing to meet the project performance standards. If necessary the Regional Administrator may award 100% of the allowable costs for modifications or replacement (40 CFR 35.2032(c)).

9. Subagreements and Contracts

- (a) The grantee agrees to negotiate a subagreement and contract for all services to be awarded under this grant. Such subagreements and contracts shall be in conformance with and incorporate the required clauses of 40 CFR Part 33.
- (b) A copy of the proposed subagreements and contracts shall be submitted to the Regional Administrator for review and pre-award approval as appropriate under 40 CFR Part 33. The submittal of the proposed subagreements and contracts shall include the procurement records required in Appendix A to 40 CFR Part 33.
- (c) The grantee shall submit to the Regional Administrator the proposed subagreement and contract cost or price data on EPA Form 5700-41 or on a form which contains similar information.

10. Flood Insurance

The grantee agrees to acquire and maintain at his own cost any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended. This condition shall not be applicable if, on the date of execution of this Grant Agreement by both parties, flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location.

11. Land Acquisition

The grantee shall not make any offer to acquire allowable real property until the Regional Administrator approves the price the grantee will offer the property owner (40 CFR 35.2210).

12. Review

The grantee recognizes that approval of any part of this grant, change orders, grant increase amendments, subagreements, any specific items, or eligibility of any other costs will be subject to final review, including project officer review, audit review, and final determination of the Grant Approving official.

13. Advertisement for Bids

Prior to the advertisement for construction bids, the grantee agrees to submit to the Regional Administrator for approval the following:

A draft plan of operation (40 CFR 35.2106);

An executed intermunicipal service agreement (40 CFR 35.2107);

A user charge system (40 CFR 35.2140); and

Final design drawings and specifications (40 CFR 35.2040 (b)(5)).

14. MBE/WBE Requirements

The recipient agrees to submit to the Chief, Construction Grants Branch, attn: EEO Specialist, EPA, Region III, a completed Standard Form-334 within 30 days after the date the recipient begins building the project (see 40 CFR 35.2202). This Standard Form-334 will contain the information on subagreement awards to minority and women's businesses during the design phase of the project. The recipient agrees to submit to the Chief, Construction Grants Branch, attn: EEO Specialist, EPA, Region III, a completed Standard Form-334 within 30 days after the end of each Federal fiscal quarter during which the recipient or its contractors award any subagreements for building and building-related services and supplies.

15. Public Participation

Additional public participation is required to inform prospective users of the expected costs and rates. The grantee shall submit to the DNR project officer, within 2 months, a plan/schedule for conducting the additional public participation.

16. Audit Requirement

The recipient agrees that it will comply with the provisions of OMB Circular A-128 governing the audit of State and local government recipients of Federal assistance for fiscal years that begin after December 31, 1984. (This requirement replaces 40 CFR 30.540(b) which is based on OMB Circular A-102, Attachment P.)

d. SPECIAL CONDITIONS (Continued)

17. EPA's National Municipal Policy

Nothing in this grant agreement shall be construed to excuse the grantee from meeting the requirements of the National Municipal Policy and the enforceable requirements of the Clean Water Act, as amended.

The schedule for completion of this project will be revised as needed to correspond to any schedule approved in the context of an enforcement action.

18. Eligibility Agreement

The grantee and the Environmental Protection Agency agree, pursuant to section 203(a)(2) of the Clean Water Act, that only those items specified in the project description (scope) portion of the grant agreement are eligible for Federal participation in accordance with 40 CFR Part 35.2250 (determination of allowable costs).

PART IV

**NOTE:** The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

OFFER AND ACCEPTANCE

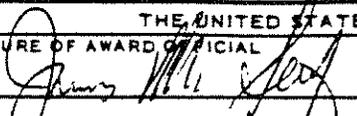
The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers assistance/~~amendment~~ to the Marshall County Sewerage District

for 55 % of all approved costs incurred up to and not exceeding \$ 706,910

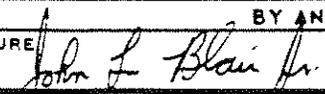
for the support of approved budget period effort described in application (including all application modifications)

C-540721-02 Marshall County Sewerage District included herein by reference.

ISSUING OFFICE (Grants Administration Office)	AWARD APPROVAL OFFICE
ORGANIZATION/ADDRESS Environmental Protection Agency Grants Management Branch (3PM70) 841 Chestnut Building Philadelphia, Pennsylvania 19107	ORGANIZATION/ADDRESS Environmental Protection Agency Water Management Division (3WMOO) 841 Chestnut Building Philadelphia, Pennsylvania 19107

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY		
SIGNATURE OF AWARD OFFICIAL 	TYPED NAME AND TITLE James M. Seif, Regional Administrator	DATE SEP 25 1987

This Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter I, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION		
SIGNATURE 	TYPED NAME AND TITLE John L. Blair Jr., Board Chairman	DATE 10/26/87



STATE OF WEST VIRGINIA  
DEPARTMENT OF COMMERCE, LABOR AND ENVIRONMENTAL RESOURCES  
DIVISION OF NATURAL RESOURCES  
WATER RESOURCES SECTION

1201 Greenbrier Street  
Charleston West Virginia 25311  
Telephone (304)348-2107

GASTON CAPERTON  
Governor

J. EDWARD HAMRICK III  
Director

June 6, 1990

LARRY W. GEORGE  
Deputy Director

Mr. Frederick G. Warren, Chief  
Grants Management Section (3PM71)  
Environmental Protection Agency  
Region III  
841 Chestnut Building  
Philadelphia, Pennsylvania 19107

RE: Marshall County  
Sewerage District  
C-540721-02

Dear Mr. Warren:

Transmitted are the Part B documents for Contract 1 of the referenced project. The State approves the bidding procedures and the request for grant increase in the amount of \$20,780 reflecting a revised federal grant of \$984,750 which includes \$722,150 in Small Community funds and \$262,600 in Alternative funds. The total eligible project cost is now \$1,313,000.

Should you have any questions, please contact Rosalie Ortega of my staff at (304) 348-0637.

Sincerely,

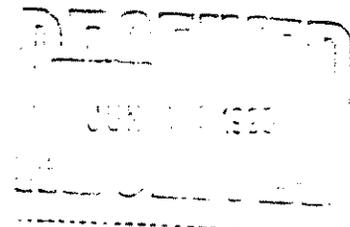
CONSTRUCTION ASSISTANCE BRANCH

Mike Johnson, P. E.  
Branch Head

MJ/jra

Enclosures

cc: Marshall Co. Sewerage District  
Vaughn Consultants  
Bernie Yonkosky, WDA  
Howard Cunningham, PSC



34B





STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

ARCH A. MOORE, JR.  
GOVERNOR

July 13, 1988

Mr. John Blair, Jr.  
Chairman  
Marshall County Sewerage District  
73 Sun Valley  
Glen Dale, West Virginia 26038

Dear Mr. Blair:

I am pleased to have approved and to include a check in the amount of \$100,000 from the Governor's Community Partnership Program for the Marshall County Sewerage District.

We look forward to the completion of the project which will provide for a sewer line extension. We appreciate your interest in the further development of West Virginia communities.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Arch".

Arch A. Moore, Jr.  
Governor

AAMJr:dfm

Enclosure



STATE OF WEST VIRGINIA

GOVERNOR'S OFFICE  
OF  
COMMUNITY AND INDUSTRIAL DEVELOPMENT

ARCH A. MOORE, JR.  
GOVERNOR

February 2, 1988

LYSANDER L. DUDLEY, SR.  
DIRECTOR

Mr. John Blair, Jr.  
Chairman  
Marshall County Sewerage District  
73 Sun Valley  
Glen Dale, West Virginia 26038

RE: Governor's Community Partnership Program  
Sewer Line Extension

Dear Mr. Blair:

Enclosed is your copy of the executed grant award and state/local contract for the above-referenced project. You should retain this contract and grant award with your project files.

Sincerely yours,

  
John McGarrity  
Community Development  
Representative

JM:sks

cc: John McGarrity  
Patra Collins

Enclosure

STATE OF WEST VIRGINIA  
GOVERNOR'S OFFICE OF COMMUNITY  
AND INDUSTRIAL DEVELOPMENT

GRANT AWARD

Grant Number: 88-51  
State Acct. No.:  
121-1210-40-025-01

Payment Number:  
Fiscal Year: 1988  
Program Name:  
CPGP

Grantee Name & Address: F.E.I.N.  
000-000-327-1

Marshall Sewerage District  
73 Sun Valley  
Glen Dale, West Virginia 26038

Grant Period:  
From: December 11, 1987  
To: June 30, 1988

Project Name: Sewer Line Extension  
Grant ID: 87-88CPGP00  
Project Number: 88CPGP0279

Project Description

Shall do, perform and carry out in a satisfactory and proper manner as determined by the GOCID all duties, tasks, and functions necessary to pay for a portion of the costs to extend a sewer extension to the Glen Dale Heights area.

Change Orders

Number:                      Date:                      Purpose:

TERMS AND CONDITIONS ARE ON FILE IN THE GOVERNOR'S OFFICE OF COMMUNITY AND INDUSTRIAL DEVELOPMENT AND AVAILABLE FOR INSPECTION. A COPY OF THE ORIGINAL AGREEMENT IS ATTACHED TO TRANSMITTAL

TOTAL AMOUNT OF THIS GRANT \$ 100,000.00

Authorized Signature: *Spencer C. Dutton*  
Title: \_\_\_\_\_

DATE: January 25, 1988

GOVERNOR'S COMMUNITY PARTNERSHIP GRANT PROGRAM

C O N T R A C T

Between

GOVERNOR'S OFFICE OF COMMUNITY AND

INDUSTRIAL DEVELOPMENT

And

THE MARSHALL COUNTY SEWERAGE DISTRICT

THIS AGREEMENT, entered into this 11th day of December 1987 by the West Virginia Department of Finance and Administration on behalf of the Governor's Office of Community and Industrial Development, hereinafter called the "GOCID," and the Marshall County Sewerage District and its authorized officers, agents, and representatives hereinafter called the "Grantee."

WITNESS THAT:

WHEREAS, the GOCID has promised and agreed to assist the Grantee to perform such tasks hereafter described in the scope of services, which is to be partially financed by funds made available through the Community Partnership Grants Program.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. Assistance of the Grantee. The GOCID hereby agrees to assist the Grantee including all authorized officers, agents, and representatives, to perform such tasks and functions as set forth below in the scope of services.

2. Scope of Services. The Grantee, or its designated agent, shall do, perform and carry out in a satisfactory and proper manner as determined by the GOCID all duties, tasks, and functions necessary to pay for a portion of the costs to extend a sewer extension to the Glen Dale Heights area, up to the limits of the grant award.

3. Personnel. The Grantee represents that it has or will secure at its own expense personnel with the necessary qualifications and experience required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with GOCID.

4. Time of Performance. The Grantee will commence its duties under this Contract on December 11, 1987 and such duties shall be undertaken and completed in such sequences as to assure their expeditious completion in the light of the purpose of the Contract, but in any event, all of the services required hereunder shall be completed by June 30, 1988. Completion date of this Contract may only be extended by mutual written agreement of both parties dependent on the reappropriation of funds under the Community Partnership Grants Program.

5. Compensation. In consideration of the services rendered by the Grantee, the GOCID agrees to pay the Grantee the sum of \$100,000. This amount constitutes complete compensation for all the services rendered. In no instances shall the agreed upon compensation exceed \$100,000 without the written consent of the Governor of the State of West Virginia.

6. Method of Payment. To be eligible for any and all payments of the grant amount, the Grantee shall submit a letter of request along with invoices detailing each segment of work completed on a percentage of completion basis under this contract, no more frequently than once a month. The final ten percent shall be made available upon submission of certification of completion and acceptance of the project by the Grantee.

7. Termination of Contract for Cause. If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner his obligations under this Contract, or if the Grantee shall violate any of the covenants, agreements, or stipulations of this Contract, the GOCID shall thereupon have the right to terminate this Contract by giving written notice to the Grantee of such

termination and specifying the effective date thereof, at least fifteen days before the effective date of such termination. The Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on the described project.

Notwithstanding the above, the Grantee shall not be relieved of liability to the GOCID for damages sustained by the GOCID by virtue of any breach of the Contract by the Grantee and the GOCID may withhold any payments to the Grantee for the purpose of set-off until such time as the exact amount of damages due the GOCID from the Grantee is determined.

8. Termination for Convenience of GOCID. The GOCID may terminate this Contract at any time by giving written notice to the Grantee of such termination and specifying the effective date of termination. If the Contract is terminated by the GOCID as provided herein, the Grantee will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this Contract, less payments of compensation previously made.

9. Termination by the Grantee. The Grantee may unilaterally rescind this agreement at any time prior to the commencement of the project. After project commencement, this agreement may be rescinded, modified, or amended only by mutual agreement. A project shall be deemed commenced when the GOCID makes any expenditure or incurs any obligation with respect to the project.

10. Changes. The GOCID and the Grantee may, from time to time, require changes in the scope of the services of the work to be performed hereunder. Such changes, including any increase or decrease in the amount of the grantee's compensation and work to be performed, which are mutually agreed upon by and between the GOCID and the Grantee, shall be incorporated in written amendments to this Contract.

11. Equal Employment Opportunity. With respect to employment in carrying out the program objectives, the Grantee agrees:

a. That it will not discriminate against any employee or applicant for employment because of race, color, age, religion, sex, national origin, or the physically handicapped;

b. That it shall take affirmative action to ensure that all contractors employed during this project treat all their employees, without regard to race, color, age, religion, sex, national origin, or the physically handicapped; and that such affirmative action shall include, but not be limited to the following: employment, upgrading, demotions, transfers, recruitment, compensation, selection for training, including apprenticeship, and participation in recreational and educational activities, in all solicitations or advertisements for employees, placed by or on behalf of the Grantee, shall state that all qualified applicants will receive consideration for employment without regard to race, color, age, religion, sex, national origin, or the physically handicapped, shall cause the provisions of this nondiscrimination clause to be inserted in all subcontracts for any work covered by this notice of grant award so that such provisions will be binding upon each subcontractor and shall keep such records and submit such reports concerning the racial and ethnic origin of employees and applicants for employment as the GOCID may require, and

The Grantee shall cause any contractors and/or any subcontractors it engages on this project to comply with Title VI and Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et. seq.), Presidential Executive Order 11246 as amended by Presidential Executive Order 11375, as well as the provisions of the West Virginia Human Rights Act as amended (Section 5-11-1 of the Code of West Virginia).

12. Project Wage Rates. No contract involving construction, reconstruction, demolition, improvement, enlargement, painting, decoration, alternation, and/or repair work which involves the employment of an "outside" contractor and/or subcontractors shall be awarded through funds provided under this agreement which does not comply with the West Virginia Act on Wages on Construction of Public Improvements (Article 5A, Chapter 21 of the West Virginia Code). Such provisions shall include the payment of the Fair Minimum Wage Rates as determined by the West Virginia Commissioner of Labor for each craft or classification of all workmen needed to perform the contract in the locality in which the public work is performed. For projects involving federal funds which are covered by the provisions of the Davis Bacon Act (40 U.S.C. 276-a 276a-5), the Grantee shall cause the contractor and/or subcontractors to pay the higher wage rate, federal or state.

Further the Grantee shall cause these wage rates as determined to be printed on all bidding blanks and attention should be specifically noted to these facts within the body of the advertisement for bids. The Grantee shall, also, have available upon request for review by the GOCID or its designated representative bid documents and other evidence of compliance including copies of contractor's payrolls.

13. Competitive Bid Procedures. The Grantee shall solicit sealed bids for all construction related contracts or supplies related to this project which have an estimated value of over five thousand dollars. Any attempts by the Grantee to segregate the project into sections having an estimated value of less than \$5,000 may be cause for termination of an agreement under the provisions of Paragraph 7.

These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions of Article Three, Chapter Fifty-Nine of the Code of West Virginia. This notice shall be published by the Grantee in the newspaper with the largest circulation serving the general area twice within

fourteen days next preceding the final date of submitting bids. The Grantee, shall, also, where feasible solicit sealed bids by listing the project in the F. W. Dodge Reports, sending requests by mail to prospective suppliers or contractors, and by posting notice on a bulletin board in a public place. The Grantee shall have available upon request for review by the GOCID or its designated representative bid documents and other evidence of compliance with these procedures.

14. Bonding and Insurance. Except as otherwise required by law, a grant that requires the contracting or subcontracting for construction of facility improvements shall provide for the grantee to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the contract or subcontract exceeds \$100,000. If the contracts or subcontracts exceed \$100,000 the minimum bonding and insurance requirements shall be as follows:

- (A) A bid guarantee from each bidder equivalent to five percent of the bid price. This bid guarantee shall consist of a firm commitment such as bid bond, certified check, or other negotiable instrument accompanying a bid that the bidder will, upon acceptance of the bid, execute the contractual documents as may be required within the time specified.
- (B) A performance bond on the part of the contractor for 100 percent of the contract price. This performance bond shall be executed by the successful contractor in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- (C) A payment bond on the part of the contractor for 100 percent of the contract price. This payment bond shall be executed in connection with a contract to assure payment as required by law of all persons supplying labor or materials in the execution of the work provided for in the contract.

15. Facilities Accessible To The Handicapped. The Grantee shall require any facilities constructed under the auspices of this Contract to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by the Physically Handicapped," Number All7.1-1961, as modified (41CFR101-17.1703) and (13CFR309.14). The Grantee shall be responsible for conducting inspections to insure compliance with these specifications.

16. Facilities Operation. The Grantee shall operate and maintain all facilities constructed under the auspices of this Contract in accordance with minimum standards as may be required or prescribed by the applicable federal, state and local statute, law, ordinance or regulation as to actual construction procedures, as well as maintenance and operation of such facilities upon completion.

17. Interest Of Members Of GOCID And Others. No officer, member or employee of the GOCID or officer, member or employee of the Grantee who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of this project, shall participate in any decision relating to this Contract which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested or have any personal or pecuniary interest nor shall any officer, member of, or employee of, the Grantee or any member of its governing body, or officer, member, or employee of the Contractor have any interest, direct or indirect, in this Contract or the proceeds thereof.

18. Officials Not To Benefit. No member of the Legislature of the State of West Virginia, or individual performing a service for the Grantee in connection with this project, shall be admitted to any share thereof or to any benefit to arise from this agreement.

19. Inspections of Project Records. At any time during normal business hours and as often as the GOCID or its designated representative may deem necessary, there shall be made available to the GOCID or its designated representative, for examination all of its records with respect to all matters covered by this Contract and permit the GOCID or its designated representative, to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records and personnel, conditions of employment and other data relating to all matters covered by this Contract during the entire time period beginning with project approval and ending three years after the final disbursement of grant funds.

20. Project Audits. The Grantee shall cause an audit of this program to be included in the annual audit of the Grantee performed by the State Tax Department or its designated representative. The audit shall be performed in conformance with general acceptable accounting procedures.

In the case where the project is also being assisted through a Federal and/or State Grant Program which requires a comprehensive independent audit of all project funds, this audit may be accepted by GOCID in lieu of a separate audit of the Community Partnership Grant funds, as long as this independent audit is performed in conformance with generally accepted auditing standards.

21. Reporting. The Grantee shall submit any reports requested by the GOCID concerning financial status and program progress. Failure to provide such reports as required by GOCID in a timely manner shall be cause for termination of this Contract under the terms of Paragraph 7.

22. Fiscal Management. The Grantee shall be responsible for establishing and maintaining adequate procedures and internal financial controls governing the management and utilization of funds provided under this Contract, as well as funds provided as the Grantee's matching share.

23. Political Activity. No officer or employee of the Grantee whose principal employment is in connection with any activity which is financed in whole or in part pursuant to this agreement shall take part in any of the activities expressly prohibited by the Hatch Act.

24. Construction Within Twelve Months. The Grantee shall have the project under construction within twelve months after execution of this agreement by both parties. The Grantee further understands that if the project is not under construction within a twelve month period that it must resubmit its application at which time the GOCID will reevaluate its obligation to provide funds for the project.

25. Signing. This Contract shall be signed by the Director of the Governor's Office of Community and Industrial Development and by the Chairman of the Marshall County Sewerage District upon authorization of the governing body of the Marshall County Sewerage District by adoption and passage of a resolution, motion or similar official action.

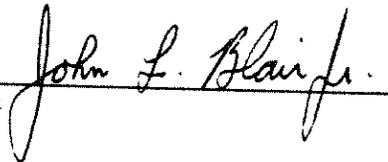
IN WITNESS WHEREOF, the GOCID and the Grantee have executed this Agreement as of the date first above written.

STATE OF WEST VIRGINIA  
GOVERNOR'S OFFICE OF COMMUNITY  
AND INDUSTRIAL DEVELOPMENT

  
Lysander L. Dudley, Sr., Director

  
Fred Cutlip, Director  
Community Development Division

MARSHALL COUNTY SEWERAGE DISTRICT

By:   
Chairman

MARSHALL COUNTY SEWERAGE DISTRICT

BOARD MEMBERS  
JOHN L. BLAIR, JR.  
GALEN BECKLEY  
RONALD L. MORRIS

RECEIVED  
JAN 19 1988

Community Development

A RESOLUTION OF THE MARSHALL COUNTY  
SEWERAGE DISTRICT BOARD

- Whereas: The Marshall County Sewerage District Board needs to construct a wastewater collection system at Glen Dale Heights/Echo Valley area of Marshall County, West Virginia.
- Whereas: The State of West Virginia has made \$100,000.00 available from the Governor's Community Partnership Program, and
- Whereas: The Marshall County Sewerage District Board must authorize acceptance of the grant offer, including the terms and conditions involved.

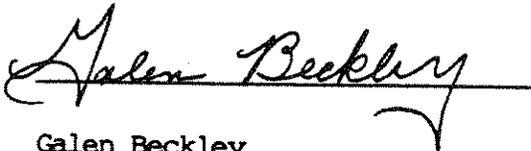
Now, therefore, be it resolved: That the Marshall County Sewerage District Board authorizes acceptance of the Governor's Community Partnership Program Grant Offer, including the terms and conditions involved and authorizes John L. Blair, Jr., Chairman of the Board, to execute all documents necessary to accept this grant.

Adopted this 13 day of January, 1988, at a regular meeting of the Marshall County Sewerage District Board, at which a quorum was present and a majority voted affirmatively on this resolution.



John L. Blair, Jr.  
Chairman  
Marshall County Sewerage District  
Board  
West Virginia

Attest:



Galen Beckley  
Board Member



STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

ARCH A. MOORE, JR.  
GOVERNOR

December 11, 1987

Mr. John Blair, Jr.  
Chairman  
Marshall County Sewerage District  
73 Sun Valley  
Glen Dale, West Virginia 26038

Dear Mr. Blair:

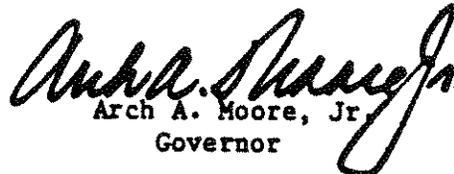
Thank you for your interest in receiving financial assistance from the State for improvements to the Glen Dale Heights area.

It is my pleasure to inform you that I have approved a \$100,000 grant from the Governor's Community Partnership Program for the Marshall County Sewerage District.

This funding, when matched with local and federal dollars, will provide for a sewer extension to 384 residents of Glen Dale Heights. You will be contacted by a representative of my Community Development Division regarding the procedures to follow in securing these funds.

We appreciate your interest in providing improved sewer services to the residents of this area. I look forward to the successful completion of this project.

Sincerely yours,

  
Arch A. Moore, Jr.  
Governor

AAMJr:sks



STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

ARCH A. MOORE, JR.  
GOVERNOR

December 11, 1987

Mr. John Blair, Jr.  
Chairman  
Marshall County Sewerage District  
73 Sun Valley  
Glen Dale, West Virginia 26038

Dear Mr. Blair:

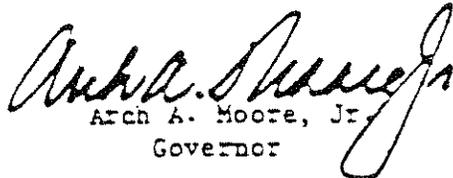
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This funding, when matched with local and federal dollars, will provide for a sewer extension to 384 residents of Glen Dale Heights. You will be contacted by a representative of my Community Development Division regarding the procedures to follow in securing these funds.

We appreciate your interest in providing improved sewer services to the residents of this area. I look forward to the successful completion of this project.

Sincerely yours,

  
Arch A. Moore, Jr.  
Governor

AAMJr:sks



MARSHALL COUNTY COMMISSION  
Moundsville, W. Va. 26041

*Glen Dale Note*

July 20, 1988

Phillip D. Wallace  
United National Bank North  
621 Seventh Street  
Moundsville, West Virginia 26041

Dear Mr. Wallace:

This letter is to inform you that the Marshall County Sewage District has received notification for the receipt of \$ 100,000. in grant monies for the funding for the construction of the Glen Dale Heights and Echo Valley Sewage Project. In addition, be advised that the County Commission of Marshall County has committed \$30,000.00 to this project for fiscal year 1988-89. Be further advised that this Commission, as presently composed, represents its intention to commit \$35,000.00 for the project for fiscal year 1989-90. The prosecuting attorney, who is our legal representative, advises us that it is not legally binding to commit funds at this time for future fiscal years. Thus, it must be understood that this is an expression of intent at this time.

We are hopeful that this expression on our part will be helpful in having your financial institution make appropriate loans to get this project started and completed in a timely manner.

Sincerely,

*J. Donald Krupica*  
J. Donald Krupica, Commissioner

*Howard L. (Biggie) Beard*  
Howard L. Beard, Commissioner

*Donald K. Mason*  
Donald K. Mason, Commissioner

Reviewed and approved by

*Thomas E. White*  
Thomas E. White  
Prosecuting Attorney



MARSHALL COUNTY SEWERAGE DISTRICT

Sewer Revenue Bonds,  
Series 1990 A and Series 1990 B

REQUISITION

You are hereby directed to pay the invoices attached hereto pursuant to the Bond and Notes Resolution adopted by Marshall County Sewerage District on November 14, 1990. With respect to such disbursements, we hereby certify as follows:

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

By \_\_\_\_\_  
Chairman, Marshall County  
Sewerage District

By \_\_\_\_\_  
Authorized Officer of the  
Consulting Engineers

11/16/90  
MCSDJ.D2  
55339/90001



# FLOW OF FUNDS SCHEMATIC DIAGRAM - SYSTEM REVENUES

