CITY OF OAK HILL

Sewer System Revenue Bonds,
Series 1988 A and Series 1988 B

Date of Closing: August 25, 1988

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08/23/88
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CITY OF OAK·HILL

SEWER REVENUE BONDS, SERIES 1988 A AND SERIES 1988 B
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES ORDINANCE

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08/22/88
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CITY OF OAK HILL

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE CITY OF OAK HILL AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 A, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 B, AND NOT MORE THAN $7,000,000 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 SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF OAK HILL:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The City of Oak Hill (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Fayette County of said State.

B. The Issuer presently owns and operates a public sewage treatment, collection and transportation 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 a new sewage treatment plant, a pump station and new interceptor and collector lines and upgrading of existing interceptor lines, and all appurtenant facilities (the "Project") which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing sewerage facilities of the Issuer, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $5,191,256, 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 Bonds and all Sinking Fund, Reserve Account and other payments provided for herein, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $4,000,000 in two series, being the Series 1988 A Bonds in the aggregate principal amount of not more than $3,000,000, and the Series 1988 B Bonds in the aggregate principal amount of not more than $1,000,000 (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 $7,000,000 to temporarily finance costs of construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes during the term thereof and upon the Bonds prior to and during construction or acquisition and for 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 construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any fees 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 not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bonds as to lien and source of and security for payment. The Series 1988 B Bonds shall be junior and subordinate to the Series 1988 A Bonds as set forth herein. 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 construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or any of the Notes or such final order will not be subject to appeal.

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

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and System, and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(C) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year in which the Notes or the Bonds are to be issued.

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

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

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

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

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

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

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

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

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

"Bond Year" means the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year except that the first Bond Year shall begin on the Closing Date.

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

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and 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 Pentree, Incorporated, Princeton, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

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

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which

relate to principal which has been retired before the beginning of such period.

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

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

"Excess Investment Earnings" means an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Series 1988 A Bonds are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Series 1988 A Bonds, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

"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" means the council of the Issuer, as may 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 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 Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Series 1988 A Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1988 A Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1988 A Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior bonds and which are deemed to become proceeds of the Series 1988 A Bonds ratably as original proceeds of the Series 1988 A Bonds, and

interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds (as referenced in clauses (i) through (iii) above) of the Series 1988 A Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Reserve Accounts and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Series 1988 A Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Series 1988 A Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"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.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes.

"Issuer" means the City of Oak Hill, in Fayette County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body and Sanitary Board of the Issuer.

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1988 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 1988 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 of the Bonds and is not acquired in order to carry out the governmental purpose of the 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 $7,000,000 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.

"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 $3,000,000 in aggregate principal amount of Series 1988 A Bonds and the not more than $1,000,000 in aggregate principal amount of Series 1988 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 Notes Registrar, at or prior to said date; (ii) any Bond or Note for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder or under the Indenture, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond or Note deemed to have been paid as provided in Article X hereof or as provided in the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, any Bonds or Notes registered to the Issuer.

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

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

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

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

"Project" means the acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting generally of

a new sewage treatment plant, new interceptor and collector lines upgrading existing interceptor lines, and all necessary appurtenances.

"Purchase Price," for the purpose of computation of the Yield of the Series 1988 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 1988 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 1988 A Bonds of each maturity is sold or, if the Series 1988 A Bonds are privately placed, the price paid by the first buyer of the Series 1988 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 1988 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 1988 A Bonds.

"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.

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

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

"Series 1988 A Bonds" or "Series A Bonds" means the not more than $3,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 A, of the Issuer.

"Series 1988 A Bonds Reserve Account" means the Series 1988 A Bonds Reserve Account established in the Series 1988 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 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 1988 A Bonds in the then current or any succeeding year.

"Series 1988 A Bonds Sinking Fund" means the Series 1988 A Sinking Fund established by Section 5.02 hereof.

"Series 1988 B Bonds" or "Series B Bonds" means the not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 B, of the Issuer.

"Series 1988 B Bonds Reserve Account" means the Series 1988 B Bonds Reserve Account established in the Series 1988 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1988 B Bonds in the then current or any succeeding year.

"Series 1988 B Bonds Sinking Fund" means the Series 1988 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including 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 public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Issuer, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

"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.

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Series 1988 A Bonds produces an

amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

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 CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of $5,191,256, 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 1988 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 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 $4,000,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1988 A," in the aggregate principal amount of not more than $3,000,000, and "Sewer Revenue Bonds, Series 1988 B," in the aggregate principal amount of not more than $1,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Grant Anticipation Notes, if any. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

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

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. 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, 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 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; Series 1988 B Bonds to be Junior and Subordinate to Series 1988 A Bonds. The payment of the debt service of all the Series 1988 A Bonds shall be secured forthwith equally and ratably with each other, by a first lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1988 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1988 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same 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 1988 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF OAK HILL
SEWER REVENUE BOND, SERIES 1988 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF OAK HILL, a municipal corporation and political subdivision of the State of West Virginia in Fayette 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 _____ ($_____), 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 rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1988. 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 _____, 198__.

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]; and (iv) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 1988 (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 concurrently with the Sewer Revenue Bonds, Series 1988 B, of the Issuer (the "Series 1988 B Bonds"), issued in the aggregate principal amount of $_____, which Series 1988 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1988 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1988 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 1988 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1988 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 1988 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 1988 B Bonds, provided however, that so long as there exists in the Series 1988 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 1988 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1988 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 Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All 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 owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF OAK HILL has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its _____, and has caused this Bond to be dated _____, 1988.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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 1988 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF OAK HILL
SEWER REVENUE BOND, SERIES 1988 B

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF OAK HILL, a municipal corporation and political subdivision of the State of West Virginia in Fayette 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 _____ ($_____), 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 _____, 198__.

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. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted

and adopted, respectively, by the Issuer on _____, 1988 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1988 A, OF THE ISSUER (THE "SERIES 1988 A BONDS"), ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ AND DESCRIBED IN THE BOND LEGISLATION.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1988 A Bonds herein described, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1988 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 1988 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 1988 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1988 A Bonds or the Bonds, provided however, that so long as there exists in the Series 1988 B Bonds Reserve Account and the reserve account established for the Series 1988 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 1988 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or

parity obligations is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1988 A Bonds.

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

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

IN WITNESS WHEREOF, the CITY OF OAK HILL has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its _____, and has caused this Bond to be dated _____, 1988.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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; Ratification of Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved.

Section 3.11. "Schedule A" Filing; Tender of Series 1988 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 1988 B Bonds to the Issuer for payment in an amount equal to such excess. Notwithstanding the foregoing, if the Issuer has Notes outstanding upon completion of construction of the Project, it will advise the Authority of such fact and submit a second schedule to the Authority upon payment of such Notes, and the Authority will not tender its Series 1988 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 $7,000,000. The Notes may be in the form of bond anticipation notes, grant anticipation notes or as evidence of a line of credit from a commercial bank or other lender, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or supplemental resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, 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, the Net Revenues, the Grant Receipts, the Surplus Revenues, the letter of credit proceeds and other sources described in the Indenture or supplemental resolution. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture 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 of letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

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

(1) Series 1988 A Bonds Sinking Fund;

(a) Within the Series 1988 A Bonds Sinking Fund, the Series 1988 A Bonds Reserve Account.

(2) Series 1988 B Bonds Sinking Fund;

(a) Within the Series 1988 B Bonds Sinking Fund, the Series 1988 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 Operating Expenses of the System.

(2) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1988 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 1988 A Bonds Sinking Fund, a sum

equal to 1/6th of the amount of interest which will become due on said Series 1988 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 1988 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.

(3) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1988 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1988 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1988 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 1988 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.

(4) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1988 A Bonds, if not fully funded upon issuance of the Series 1988 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1988 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1988 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1988 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 1988 A Bonds Reserve Requirement.

(5) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after completion of the Project, 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 the Series 1988 A Bonds 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 Series 1988 A 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 by Subsection 5.03(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1988 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1988 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1988 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 1988 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.

(7) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1988 B Bonds, if not fully funded upon issuance of the Series 1988 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1988 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1988 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1988 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 1988 B Bonds Reserve Requirement.

Moneys in the Series 1988 A Bonds Sinking Fund and the Series 1988 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 1988 A Bonds Reserve Account and the Series 1988 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several Sinking Funds and Reserve Accounts shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1988 A Bonds Reserve Account which result in a reduction in the balance of the Series 1988 A Bonds Reserve Account to below the Series 1988 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1988 A Bonds Sinking Fund for payment of debt service on the Series 1988 A Bonds have been made in full.

Any withdrawals from the Series 1988 B Bonds Reserve Account which result in a reduction in the balance of the Series 1988 B Bonds Reserve Account to below the Series 1988 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1988 A Bonds Sinking Fund, the Series 1988 A Bonds Reserve Account, the Renewal and Replacement Fund and the Series 1988 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 1988 A Bonds Sinking Fund, or the Series 1988 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

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

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

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

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

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Accounts therein, and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund.

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

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

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 1988 A Bonds, there shall first be deposited with the Commission in the Series 1988 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 1988 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 1988 A Bonds, there shall be deposited with the Commission in the Series 1988 A Bonds Reserve Account and from the proceeds of the Series 1988 B Bonds, there shall be deposited with the Commission in the Series 1988 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 1988 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.

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

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1988 A Bonds, and thereafter for the Series 1988 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 1988 A Bonds Reserve Account, and when fully funded to the Series 1988 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 1988 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 1988 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. The payment of the debt service of the Series 1988 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System and payment of the debt service of the Series 1988 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1988 A Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the

Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the ordinance of the Issuer enacted November 10, 1983.

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 1988 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 1988 A Bonds and the Series 1988 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 1988 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 1988 A Bonds, unless the Series 1988 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 City Clerk 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 Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 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 City Clerk 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 1988 A Bonds and the Series 1988 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 1988 A Bonds or the Series 1988 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 Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall

be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds.

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 expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of 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.

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.

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.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Bonds 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 and Regulations promulgated thereunder.

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 those deemed necessary by the Authority) so that the interest on the 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 those determined by the Authority) which would adversely affect such exclusion.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Trustee, if any, and the Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, 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.

Section 8.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations, 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.

Section 8.03. Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Bonds are issued will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall take the following actions:

A. CREATION OF FUNDS. There are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Bond Legislation, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Bond Legislation, other than (i) interest

earnings and profits on any funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than $100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on or before the 30th day following the end of each Bond Year or on the preceding business day in the event that such last day is not a business day, or such earlier date as may be required under the Code, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of Debt Service on the next interest payment date and for such purpose, Debt Service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

B. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection C and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsections D and E.

C. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 15 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 15 days following the last day of each Bond Year and within 15 days following the date of the retirement of the Bond, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

(1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments

(without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

(2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Bonds shall be determined based on the actual Yield of the Bonds during the period between the Closing Date of the Bonds and the date the computation is made (with adjustments for original issue discount or premium).

(4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bond, and no amount may be treated as "negative arbitrage."

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual Debt Service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than $100,000.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period. Not later than 60 days after the retirement of the Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment 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 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 by this Subsection D, 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.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

F. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of 6 years following the retirement of the Bonds, records of the determinations made pursuant to this Section 8.03.

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, 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.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further covenants 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.

I. REPORTING TO AUTHORITY. The Issuer shall 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 relating thereto as may be requested by the Authority. 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.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, then the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Bonds subject to rebate.

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 1988 B Bonds shall be subject to those of the Holders of the Series 1988 A Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond or 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 or Bond Anticipation Notes any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the 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 1988 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 1988 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 1988 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 1988 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1988 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 1988 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 1988 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 1988 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 1988 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 1988 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 1988 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 1988 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 1988 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1988 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 1988 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 1988 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 1988 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 1988 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.

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 1988 A Bonds or the Series 1988 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 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 Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, the Indenture, if any, the Bonds or the Notes, if any.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

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

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

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Fayette Tribune, a qualified newspaper published and of general circulation in the City of Oak Hill, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bonds and Notes, and that any person interested may appear before the City Council upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons

during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading - August 2, 1988

Passed on Second Reading - August 9, 1988

Passed on Final Reading Following Public Hearing - August 23, 1988

E. A. Kanick Jr.
Mayor

Virginia Fox
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF OAK HILL on the 23rd day of August, 1988.

Dated: August 25, 1988

[SEAL]

City Clerk

08/22/88
OHSB2/3-A/A

ALL-STATE LEGAL SUPPLY CO., ONE COMMERCE DRIVE CRANFORD, NEW JERSEY 07016

ED 11-1C

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A and Series 1988 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 1988 A AND SERIES 1988 B AND SEWERAGE SYSTEM INTERIM CONSTRUCTION FINANCING OF THE CITY OF OAK HILL; AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

WHEREAS, the city council (the "Governing Body") of the City of Oak Hill (the "Issuer"), has duly and officially enacted a bond ordinance, effective August 23, 1988 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE CITY OF OAK HILL AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 A, NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1988 B, AND NOT MORE THAN $7,000,000 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 SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed $4,000,000, to be issued in two series, the Series 1988 A Bonds to be in an aggregate principal amount of not more than $3,000,000 (the "Series 1988 A Bonds") and the Series 1988 B Bonds to be in an aggregate principal amount of not more than $1,000,000 (the "Series 1988 B Bonds"), and has preliminarily authorized the execution and delivery of a loan agreement relating to the Series 1988 A Bonds dated August 19, 1988, and a supplemental loan agreement relating to the Series 1988 B Bonds, also dated August 19, 1988 (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13 of the West Virginia Code, 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OAK HILL:

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

(A) The Sewer Revenue Bonds, Series 1988 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,764,285. The Series 1988 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall bear interest at the rate of 9.0% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1988, 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 1988 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 to the Series 1988 A Bonds and to the Loan Agreement and incorporated therein by reference, which Schedule X is hereby specifically approved.

(B) The Sewer Revenue Bonds, Series 1988 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $441,071. The Series 1988 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall be interest free, shall be subject to redemption 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 1988 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 to the Series 1988 B Bonds and to the Supplemental Loan Agreement and incorporated therein by reference, which Schedule X is hereby specifically approved.

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

Section 3. The Issuer does hereby approve, accept and ratify the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby ratified and approved.

The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

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

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

Section 6. The Issuer does hereby appoint Merchants & Miners National Bank, Oak Hill, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1988 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1988 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1988 A Bonds proceeds in the amount of $164,503 shall be deposited in the Series 1988 A Bonds Reserve Account and Series 1988 B Bonds proceeds in the amount of $11,310 shall be deposited in the Series 1988 B Bonds Reserve Account.

Section 9. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund for payment of Costs of the Project, including costs of issuance of the Bonds and repayment of any borrowings previously incurred for the Project.

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 Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about August 25, 1988, to the Authority pursuant to the Loan Agreement.

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

Section 13. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance in the West Virginia "Consolidated Fund," and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be invested in the Consolidated Fund, until further directed in writing by the Issuer.

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 any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. It will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 15. The Issuer has general taxing powers to finance operations of or facilities of the nature of the Project and the System, and the Issuer and all subordinate entities reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year 1988, being the calendar year in which the Bonds are to be issued.

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

Adopted this 23rd day of August, 1988.

CITY OF OAK HILL

Mayor

08/22/88
OHSB1-J

RESOLUTION - September 6, 1988
Oak Hill City Council Meeting

To amend Supplemental Resolution to Bond Ordinance, adopted August 23, 1988.

Amend Section 13 to read:

The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance in Certificates of Deposit or Re-purchase Agreements or other depository accounts at the Depository Bank, and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be invested in the Depository Bank until further directed in writing by the Issuer.

E. G. Larrick, Jr.
Mayor

2A

Excerpts from Minutes
September 6, 1988

1. Call to order.

2. Invocation and Pledge of Allegiance.

3. Approval of Minutes and Treasurer's report.

4. Correspondence - Deferred until later.

5. Unfinished Business

   1. Councilman Wood - Status of sidewalk over Minden overpass. City Manager to write Department of Highways.

   2. Councilman Ferri - Status of railroad crossing - Norfolk & Southern. No reply as of this date.

   3. Councilwoman at Large Barbara Hickman - setting of Halloween date will observe - tabled until October meeting.

6. New Business

   1. Mayor Larrick commended personnel on painting of vacant building windows downtown for the Sports Festival and requested consideration be given to decorate the windows for various seasons as long as buildings are vacant.

      City Manager to send letter of appreciation to all who participated in the art work.

   2. Councilman Harding requested City Manager prepare a cost estimate for street paving of streets the Council members are to submit and bring back to the October meeting.

7. City Manager

   1. First reading of ordinance setting the speed limit on County Route 19/2 Harlem Heights Road. Approved to proceed with legal procedures.

   2. Announced informal meeting with group of young people and business places on parking on various lots in City. Thursday evening, September 8, 7:00 P.M.

   3. Ask Council to approve Resolution authorizing the retaining of the WDA money with local depository bank. Approved.

8. City Attorney Ralph Young

   1. First reading of ordinance vacating and abandoning of alley off of Main Street beside the new construction of Blackburn Ford. Motion approved.

8. Mayor Larrick

   1. Approved to refer to City Attorney for action the election laws seminar 8-20-88.

2. Letter from House of Delegate John Overington. Council members requested copies be made available to them for further study before replying.

3. Announced the observing of Constitution week Sept. 17 thru 23rd., sounding of bells, sirens, whistles, etc.

9. Citizens

Mr. Fred St. Clair - presented City with new American Flag. Thanked him for his thoughtfulness.

Mayor Larrick requested City Manager to investigate the cost of lighting of the Flag.

Gladys Meadows - street paving & patching and requested something be done for the young people for recreation.

10. Adjourned.

Virginia Fox, Secretary

RECEIVED
AUG 17 1988
WATER DEVELOPMENT AUTHORITY

WDA-5
(March 1988)

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").

CITY OF OAK HILL

W I T N E S S E T H:

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.7 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.

City of Oak Hill/Sanitary Board
[Proper Name of Governmental Agency]

(SEAL)

By E. A. Garrett, Jr.
Its Mayor/Chairman

Attest:

Date: August 16, 1988

Virginia Fox
Its Clerk-Treasurer

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By _____
Director

Attest: _____
Secretary-Treasurer

Date: August 19, 1988

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a _____.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19__, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning _____ 1, 19__, at the respective rate or rates and with principal payable in installments on October 1 in each of the years, all as follows:

Year	Installment	Interest Rate

The Local Bonds are issued for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the

bond _____ duly enacted by the Governmental Agency on _____ (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 as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and presently existing _____ _____, with full power and authority to construct and acquire the Project and 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.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds are valid and legally enforceable special obligations of the Governmental Agency, 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, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

6. The Local Bonds are, by statute, exempt _____ _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for Federal income tax purposes.

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

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

Very truly yours,

WDA-5X
(March 1988)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $1,764,285

Purchase Price of Local Bonds $1,764,285

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 9 % 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:

CITY OF OAK HILL SEWER TOTAL BORROWING
ANALYSIS OF 7.50% BORROWING COST FOR LOCAL ISSUER
----------1988 SERIES A BONDS ----------

PERIOD ENDING 10/1	COUPON	PRIN.	INTEREST	DEBT SERVICE
1988	9.00		15,878.57	15,878.57
1989	9.00		158,785.65	158,785.65
1990	9.00	5,709	158,785.65	164,494.65
1991	9.00	6,223	158,271.84	164,494.84
1992	9.00	6,782	157,711.77	164,493.77
1993	9.00	7,392	157,101.39	164,493.39
1994	9.00	8,057	156,436.11	164,493.11
1995	9.00	8,783	155,710.98	164,493.98
1996	9.00	9,573	154,920.51	164,493.51
1997	9.00	10,436	154,058.94	164,494.94
1998	9.00	11,374	153,119.70	164,493.70
1999	9.00	12,398	152,096.04	164,494.04
2000	9.00	13,514	150,980.22	164,494.22
2001	9.00	14,730	149,763.96	164,493.96
2002	9.00	16,057	148,438.26	164,495.26
2003	9.00	17,502	146,993.13	164,495.13
2004	9.00	19,075	145,417.95	164,492.95
2005	9.00	20,792	143,701.20	164,493.20
2006	9.00	22,664	141,829.92	164,493.92
2007	9.00	24,704	139,790.16	164,494.16
2008	9.00	26,927	137,566.80	164,493.80
2009	9.00	29,351	135,143.37	164,494.37
2010	9.00	31,992	132,501.78	164,493.78
2011	9.00	34,871	129,622.50	164,493.50
2012	9.00	38,010	126,484.11	164,494.11
2013	9.00	41,431	123,063.21	164,494.21
2014	9.00	45,160	119,334.42	164,494.42
2015	9.00	49,224	115,270.02	164,494.02
2016	9.00	53,654	110,839.86	164,493.86
2017	9.00	58,483	106,011.00	164,494.00
2018	9.00	63,747	100,747.53	164,494.53
2019	9.00	69,485	95,010.30	164,495.30
2020	9.00	75,737	88,756.65	164,493.65
2021	9.00	82,554	81,940.32	164,494.32
2022	9.00	89,979	74,510.46	164,489.46
2023	9.00	98,082	66,412.35	164,494.35
2024	9.00	106,910	57,584.97	164,494.97
2025	9.00	116,531	47,963.07	164,494.07
2026	9.00	127,020	37,475.28	164,495.28
2027	9.00	138,452	26,043.48	164,495.48
2028	9.00	150,920	13,582.80	164,502.80
		1,764,285	4,825,656.23	6,589,941.23

SCHEDULE Y
REVENUES

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

(i) to pay Operating Expenses of the System;

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

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

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

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

Additional Conditions and Covenants

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

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

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

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

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

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

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

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

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

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

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

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

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

RECEIVED
AUG 17 1988
WATER DEVELOPMENT AUTHORITY

WDA-Supp. 5
(March 1988)

SUPPLEMENTAL LOAN AGREEMENT

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

CITY OF OAK HILL

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions; Loan Agreement

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.4 The Supplemental Loan shall not bear interest.

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

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

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

ARTICLE V

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

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

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

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

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

City of Oak Hill/ Sanitary Board
[Proper Name of Governmental Agency]

(SEAL)

By E. H. Garrick Jr
Its Mayor/Chairman

Attest:

Date: August 16, 1988

Virginia Fox
Its Clerk-Treasurer

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By Edgar N. Henry
Director

Attest:

Date: August 19, 1988

David B. Yackel
Secretary-Treasurer

EXHIBIT A

LOAN AGREEMENT

Date: August 25, 1988

Principal Amount of Local Bonds: $1,764,285

. EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a _____.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated _____, 19__, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), and (ii) the issue of a series of supplemental, subordinate revenue bonds of the Governmental Agency, dated _____, 19__ (the "Supplemental Bonds"), to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are in the principal amount of $_____, 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, as follows:

Year	Installment

The Supplemental Loan Agreement is supplemental to a loan agreement dated _____, _____, also between the Governmental Agency and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the bonds issued pursuant to the Loan Agreement (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

The Supplemental Bonds are issued, together with the Local Bonds, for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly enacted by the Governmental Agency on _____(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 as follows:

1. The Supplemental Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency enforceable in accordance with the terms thereof.

2. The Supplemental Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and presently existing _____ _____, with full power and authority to construct and acquire the Project and 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.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ _____ in connection with the issuance and sale of the Supplemental Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement.

5. The Supplemental Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Supplemental Bonds and the Local Act, and have been duly issued and delivered to the Authority. Said lien and pledge are junior, subordinate and inferior to that created for the Local Bonds [and _____].

6. The Supplemental Bonds are, by statute, exempt _____.

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

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

Very truly yours,

WDA-Supp. 5X
(March 1988)

SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	$ 441,071
Purchase Price of Supplemental Bonds	$ 441,071

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:

CITY OF OAK HILL

NALYSIS OF 7.50% BORROWING COST FOR CAL ISSUER

----------1988 SERIES A BONDS ----------

	ZERO COUPON BONDS
1988	
1989	
1990	11,310.00
1991	11,310.00
1992	11,310.00
1993	11,310.00
1994	11,310.00
1995	11,310.00
1996	11,310.00
1997	11,310.00
1998	11,310.00
1999	11,310.00
2000	11,310.00
2001	11,310.00
2002	11,310.00
2003	11,310.00
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2014	11,310.00
2015	11,310.00
2016	11,310.00
2017	11,310.00
2018	11,310.00
2019	11,310.00
2020	11,310.00
2021	11,310.00
2022	11,310.00
2023	11,310.00
2024	11,310.00
2025	11,310.00
2026	11,310.00
2027	11,310.00
2028	11,291.00
	441,071.00

SCHEDULE Y
REVENUES

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

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

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

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

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

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

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

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

Additional Conditions and Covenants

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

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

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

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

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

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

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

RECEIVED
AUG 19 1988

LEGAL DIVISION WATER DEVELOPMENT AUTHORITY **PUBLIC SERVICE COMMISSION OF WEST VIRGINIA**

J. Steven Hunter,
General Counsel

201 Brooks Street, P. O. Box 812
Charleston, West Virginia 25323
(304) 340-0317
Writer's Direct Call: 340-

August 17, 1988

E.G. Larrick, Jr., Mayor
City of Oak Hill
P.O. Box 1245
100 Kelly Avenue
Oak Hill, WV 25901

Re: Case No. 88-212-S-CN
City of Oak Hill

Dear Mayor Larrick:

As you are no doubt aware, the Public Service Commission granted to the City of Oak Hill a certificate of convenience and necessity to construct Part I of a proposed sewer project. Please be advised that the Commission Staff has reviewed the Final Order as entered on August 16, 1988, by Administrative Law Judge Robert F. Williams and takes no exception to that Order. As a result, Staff has determined that no exceptions will be filed to this Order, and no appeals will be taken from the decision as entered by Judge Williams.

Since no other parties appeared in protest or as intervenors to this proceeding, unless the City intends to file an appeal of this Final Order, no appeals will be taken from this decision.

Sincerely,

Steven Hamula

STEVEN HAMULA
Staff Attorney

SH/mh

cc: Vince Collins, Esquire
Ralph C. Young, Esquire
Edgar N. Henry, Director

5

RECEIVED
AUG 19 1988
WATER DEVELOPMENT AUTHORITY

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: August 16, 1988

CASE NO. 88-212-S-CN

CITY OF OAK HILL SANITARY BOARD,
a municipal corporation, Fayette County.
Application for a certificate of convenience and necessity to construct two new sewage treatment facilities; approximately 3.7 miles of new interceptor lines; and renovate approximately 1.6 miles of existing interceptor at Oak Hill, Fayette County.

ORDER APPROVING PART I OF APPLICATION

On April 20, 1988, the City of Oak Hill Sanitary Board ("Oak Hill" or "Sanitary Board"), a municipal corporation, Fayette County, filed a duly verified application for a certificate of convenience and necessity to construct two (2) new sewage treatment plants, install approximately 2,700 linear feet of six-inch sewer service line, 1,910 linear feet of eight-inch force main, 2,900 linear feet of water line, 13,870 linear feet of eight-inch sewer pipe, 570 linear feet of 10-inch sewer pipe, 6,110 linear feet of 12-inch sewer pipe, 4,830 linear feet of 15-inch pipe, 530 linear feet of 18-inch sewer pipe, 1,965 linear feet of 24-inch sewer pipe and 133 manholes. The City of Oak Hill Sanitary Board also proposed to abandon seven pump stations and construct a main line pump station at Oak Hill, Fayette County.

The City of Oak Hill Sanitary Board estimated that the construction would cost approximately $10,218,065, to be financed by an EPA grant of $6,426,160 and a Farmers Home Administration (FmHA) or Water Development Authority (WDA) loan in the amount of $4,015,155.

No change in rates was anticipated as a result of the project. The City of Oak Hill Sanitary Board's existing rates are $3.25 per 1,000 gallons, with a minimum charge of $9.75 per month. The Sanitary Board's application indicated that tap fees will be $150 before construction and $250 after construction, although the Sanitary Board's existing tap fee of $200 would remain in effect unless that tap fee is modified by a municipal ordinance.

By order entered on April 20, 1988, the City of Oak Hill Sanitary Board was instructed to give public notice of its application by publication once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Oak Hill, making due return to the Commission of proper certification of publication immediately after publication. In accordance with the terms of that notice, anyone desiring to make objection to the application was required to do so in writing,

within thirty (30) days after the publication of the notice. If no protests were received within the 30-day period, the Commission may waive formal hearing and grant the certificate based on the evidence submitted with the application.

On July 24, 1988, the Sanitary Board submitted its certificate of publication verifying that the required public notice was published on May 2, 1988, in the Fayette Tribune, a newspaper published and of general circulation in Oak Hill, West Virginia. No public protest has been received in response to that notice.

By letter dated July 21, 1988, the City of Oak Hill Sanitary Board informed the Commission that it wished to proceed as soon as possible with Part I of its total project, which represented approximately one-half of the cost, to institute a WDA loan for that part of the project on or before August 23, 1988. As noted by letter received on August 15, 1988 from Mr. Ed. Henry of the WDA, WDA verified that it intended to fully fund the local share of Part I of the project with available funds at 7½ percent interest, as long as closing could be completed on or before August 23, 1988.

On August 11, 1988, a Joint Staff Memorandum was filed by Steve Hamula, Staff Attorney. An Internal Memorandum from B. B. Galford, Utilities Analyst and C. E. Windham, P.E., Water and Sewer Section, Utilities Division, was attached to the Joint Staff Memorandum. For the reasons set forth in that memorandum, Staff recommended approval of Part I of the City's proposed project, as requested.

As described by Staff's memoranda, the City originally proposed to construct approximately 3.7 miles of new interceptor lines, and renovate approximately 1.6 miles of existing interceptor lines. Additionally, Staff indicated that the City's existing sewage treatment plant is overloaded and antiquated. Therefore, Part I of the proposed project is designed to insure that Oak Hill's sewage treatment facilities will meet federal and state standards.

As described by the project cost eligibility breakdown submitted to Staff on July 12, 1988, the total cost of the project is estimated to be $10,904,065, to be funded by a $6,207,246 EPA grant, with the balance of the $4,696,819 in local share provided by WDA or other local funding source. (See August 11, 1988 Joint Staff Memorandum and attachments). The EPA funding has been committed for the total project, but at the current time, the WDA will only lend funds to Oak Hill which are sufficient to cover its cost of completing Part I of its project. (See commitment letters, submitted on August 12 and 16, 1988).

As described in the Internal Memorandum of B. B. Galford and C. E. Windham, Part I consists of three contracts as follows:

Contract 1 - Rt. 61 Wastewater Treatment Plant
Contract 2 - Rt. 61 Interceptor and Pump Station Renovations
12,380 L.F. New Sewer Interceptor
2,015 L.F. New Force Main Interceptor
3,000 L.F. New 6-inch Water Line

Contract 3 - East Main Street Interceptor
6,725 L.F. New Sewer Interceptor

Part I also includes $60,000 for a sludge utility truck, $410,000 total design for the complete project and $40,000 designated for "later contracts", without any explanation of what those contracts are for.

The cost of Part I of the project, estimated at $5,645,753, is to be funded by an EPA grant of $3,230,322, with the remaining local share of $2,415,231 to be obtained from the proceeds of a WDA bond issue, with an annual interest rate of 7½%. (See July 12, 1988 cost breakdown, attached to Joint Staff Memorandum).

Staff observed that two permits which were required for Part I of the project, have yet to be approved. The City of Oak Hill Sanitary Board has not received an NPDES permit from the State Department of Natural Resources, and it has not received Health Department approval for the new 3,000 feet of six-inch water line.

Staff represented that the City's present rates appear to be sufficient to cover the financing of Part I of the project. As described by the Rule 42 Exhibit submitted with the City of Oak Hill's application, the City has been charging the $3.25 rate since January 1, 1986. For the fiscal year ended June 30, 1987, these rates produced a surplus of $252,966 on a cash flow basis and a net income of $299,950 on an income statement basis. The City estimated that the operating revenues were projected to increase by $78,928 by adding additional customers to the system, its operation and maintenance expenses would be reduced by approximately $15,000 and its debt service requirement would increase by approximately $335,000, if the whole system were completed. Even if the Administrative Law Judge were to assume that the current operating revenues did not increase at all and the operation and maintenance did not decrease at all as a result of Part I, the available revenues would be more than sufficient to cover the Sanitary Board's debt service requirements associated with Part I of the project, which would represent approximately one-half (1/2) of the debt service requirement of $335,000 for the total project. Therefore, it is clear that the existing rates and charges are adequate to support Part I of the project.

Therefore, Staff has recommended that Part I of the total proposed project should be granted a certificate of convenience and necessity, conditioned upon receipt of proper permits from the Department of Natural Resources and the Depart of Health for Part I of the project.

Upon review of the information and recommendations submitted to the Administrative Law Judge, the ALJ is of the opinion that Part I of the City of Oak Hill Sanitary Board's project should be approved, contingent upon receipt of an appropriate NPDES discharge permit from the Department of Natural Resources and a certificate of approval from the Department of Health for this portion of the project. There is a need for the described improvements to the Sanitary Board's system to meet federal and state discharge standards, and the project is adequately funded and sustained by appropriate rates and charges.

Nothing in this case file indicates whether the Sanitary Board will have any interim financing needs to meet cash flow requirements during construction. While WDA money will be provided up front, invoices must be submitted to EPA for reimbursement, and there is some lag between the contractor billing and EPA reimbursement. Therefore, the City may require some available funds to meet the project's cash flow requirements during construction. Based upon the surplus developed for the fiscal year ended June 30, 1987, the City of Oak Hill Sanitary Board should have at least $500,000 cash on hand generated by surplus revenues which could be applied to meet any interim financing requirements for Part I of the City's project. Although no specific project cash flow has been supplied, the ALJ is of the opinion that these funds, along with the WDA loan proceeds, should be sufficient to meet the project's cash requirements during construction.

The Administrative Law Judge assumes that the City of Oak Hill will immediately proceed with Part II of its project as soon as possible. Therefore, the case shall remain on the Commission's open docket for the purpose of completing review of Part II of the project. If the City of Oak Hill Sanitary Board is going to significantly delay Part II of its project, it should inform the Commission as soon as possible so that Part II of its certificate application can be removed from the Commission's open docket.

Finally, as indicated before, the City of Oak Hill Sanitary Board is currently generating excessive surplus through rates and charges which have been assessed since January 1, 1986. As of this date, the Sanitary Board should have in excess of $500,000 in cash on hand, which can be applied to reduce the Sanitary Board's debt service requirement by funding part of the local share and/or applied to meet the Sanitary Board's debt service reserve requirement. Either step could be used to reduce the Sanitary Board's total debt service reserve requirement, which would allow the Sanitary Board to reduce its rates and charges. The ALJ assumes that the Staff and Sanitary Board will examine these possible avenues in conjunction with Part II of the project, if the Sanitary Board does not choose to apply some of these available funds in conjunction with Part I of its project.

FINDINGS OF FACT

1. On April 20, 1988, the City of Oak Hill Sanitary Board, a municipal corporation, Fayette County, filed a duly verified application for a certificate of convenience and necessity to construct two (2) new sewage treatment plants, install approximately 2,700 linear feet of six-inch sewer service line, 1,910 linear feet of eight-inch force main, 2,900 linear feet of water line, 13,870 linear feet of eight-inch sewer pipe, 570 linear feet of 10-inch sewer pipe, 6,110 linear feet of 12-inch sewer pipe, 4,830 linear feet of 15-inch pipe, 530 linear feet of 18-inch sewer pipe, 1,965 linear feet of 24-inch sewer pipe and 133 manholes. The City of Oak Hill Sanitary Board also proposed to abandon seven pump stations and construct a main line pump station at Oak Hill, Fayette County.

2. By letter dated July 21, 1988, the City of Oak Hill Sanitary Board informed the Commission that it wished to proceed as soon as possible with Part I of its total project, which represented approximately one-half of the cost, to institute a WDA loan for that part of the project on or before August 23, 1988.

3. Part I consists of three contracts as follows:

Contract 1 - Rt. 61 Wastewater Treatment Plant
Contract 2 - Rt. 61 Interceptor and Pump Station Renovations
12,380 L.F. New Sewer Interceptor
2,015 L.F. New Force Main Interceptor
3,000 L.F. New 6-inch Water Line
Contract 3 - East Main Street Interceptor
6,725 L.F. New Sewer Interceptor

4. The cost of Part I of the project, estimated at $5,645,753, is to be funded by an EPA grant of $3,230,322, with the remaining local share of $2,415,231 to be obtained from the proceeds of a WDA bond issue, with an annual interest rate of 7½%. (See July 12, 1988 cost breakdown, attached to Joint Staff Memorandum).

5. Staff observed that two permits which were required for Part I of the project, have yet to be approved. The City of Oak Hill Sanitary Board has not received an NPDES permit from the State Department of Natural Resources, and it has not received Health Department approval for the new 3,000 feet of six-inch water line.

6. By Joint Staff Memorandum submitted on August 11, 1988, Staff has recommended approval of Part I of the project, conditioned upon receipt of proper permits for the project from the Department of Natural Resources and the Department of Health.

7. On July 24, 1988, the Sanitary Board submitted its certificate of publication verifying that the required public notice was published on May 2, 1988, in the Fayette Tribune, a newspaper published and of general circulation in Oak Hill, West Virginia. No public protest has been received in response to that notice.

8. The City has been charging a sewage rate of $3.25 per 1,000 gallons since January 1, 1986. For the fiscal year ended June 30, 1987, these rates produced a surplus of $252,966 on a cash flow basis and a net income of $299,950 on an income statement basis.

CONCLUSIONS OF LAW

1. Upon review of the information and recommendations submitted to the Administrative Law Judge, the ALJ is of the opinion that Part I of the City of Oak Hill Sanitary Board's project should be approved, contingent upon receipt of an appropriate NPDES discharge permit from the Department of Natural Resources and a certificate of approval from the Department of Health for this portion of the project. There is a need for the described improvements to the Sanitary Board's system to meet federal and state

discharge standards, and the project is adequately funded and sustained by appropriate rates and charges.

2. Although the Commission has no authority to require Oak Hill to reduce its existing rates and charges which have generated excessive surpluses since 1986, due to the Commission's limited statutory authority over municipal rates under West Virginia Code §24-2-4b, this Commission can take steps to require Oak Hill to make reasonable and appropriate use of excess surpluses to meet the needs of its customers.

3. The Administrative Law Judge assumes that the City of Oak Hill will immediately proceed with Part II of its project as soon as possible. Therefore, the case shall remain on the Commission's open docket for the purpose of completing review of Part II of the project. If the City of Oak Hill Sanitary Board is going to significantly delay Part II of its project, it should inform the Commission as soon as possible so that Part II of its certificate application can be removed from the Commission's open docket.

4. As of this date, the Sanitary Board should have in excess of $500,000 in cash on hand, which can be applied to reduce the Sanitary Board's debt service requirement by funding part of the local share and/or applied to meet the Sanitary Board's debt service reserve requirement. Either step could be used to reduce the Sanitary Board's total debt service reserve requirement, which would allow the Sanitary Board to reduce its rates and charges. The ALJ assumes that the Staff and Sanitary board will examine these possible avenues in conjunction with Part II of the project, if the Sanitary Board does not choose to apply some of these available funds in conjunction with Part I of its project.

ORDER

IT IS, THEREFORE, ORDERED that the City of Oak Hill Sanitary Board is hereby granted a certificate of convenience and necessity to construct Part I of its proposed sewer project, as described in this order and as more fully described in plans and specifications which were submitted with its application, with the financing described herein, on the condition that the City receives an NPDES permit from the Department of Natural Resources and Health Department approval for Part I of the project prior to the acceptance of the WDA loan for the project. The City of Oak Hill is accordingly required to submit copies of the Department of Natural Resources and Health Department approvals to the Commission prior to closing.

IT IS FURTHER ORDERED that, within thirty (30) days of the date of this order, the City of Oak Hill Sanitary Board shall notify the Commission as to whether it intends to immediately proceed with Part II of its project, and submit a proposed timetable for consideration and approval of that project. If it has no immediate plans to proceed with Part II of its project, it is hereby directed to withdraw that portion of its application from the Commission's open docket.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission shall serve a copy of this order upon all parties of record by United States First Class Mail, return receipt requested.

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

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

Robert F. Williams

Robert F. Williams
Administrative Law Judge

RFW:mal

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A and Series 1988 B

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, DANIEL B. YONKOSKY, Secretary-Treasurer of West Virginia Water Development Authority, for and on behalf of West Virginia Water Development Authority (the "Authority") and EUGENE LARRICK, JR., Mayor of the City of Oak Hill (the "Issuer"), hereby certify as follows:

1. On the 25th day of August, 1988, the Authority received the entire original issue of $2,205,356 in aggregate principal amount of Sewer Revenue Bonds, Series 1988 A and Series 1988 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 August 25, 1988, the Series 1988 A Bond being in the principal amount of $1,764,285 and the Series 1988 B Bond being in the principal amount of $441,071.

2. At the time of such receipt of the Bonds upon original issuance, all of the Bonds had been executed by Eugene Larrick, Jr., as Mayor of the Issuer, by his manual signature, and by Virginia Fox, as City Clerk of the Issuer, by her manual signature, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the proceeds of the Series 1988 A Bonds in the aggregate amount of $1,764,285 and proceeds of the Series 1988 B Bonds in the aggregate principal amount of $441,071 (100% of par value), there being no interest accrued on either series.

IN WITNESS WHEREOF, Daniel B. Yonkosky duly signed and delivered this receipt on behalf of WEST VIRGINIA WATER DEVELOPMENT AUTHORITY and the CITY OF OAK HILL has caused this receipt to be duly executed and delivered by its Mayor, as of this 25th day of August, 1988.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By _____
Secretary-Treasurer

CITY OF OAK HILL

By _____
Mayor

08/22/88
OHSB1-K

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A and Series 1988 B

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

One Valley Bank, National Association
Charleston,
West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the City of Oak Hill Sewer Revenue Bonds, Series 1988 A, in the principal amount of $1,764,285 and Bond No. BR-1, constituting the entire original issue of the City of Oak Hill Sewer Revenue Bonds, Series 1988 B, in the principal amount of $441,071 both dated August 25, 1988 (collectively, the "Bonds"), executed by the Mayor and City Clerk of the City of Oak Hill (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance and Supplemental Resolution duly enacted and adopted by the Issuer (collectively, the "Local Act");

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

(3) Executed counterparts of the loan agreement and the supplemental loan agreement, both dated August 19, 1988, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement");

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

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 $2,205,356, 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 25th day of August, 1988.

CITY OF OAK HILL

By _____
Mayor

08/22/88
OHSB1-L

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF OAK HILL
SEWER REVENUE BOND, SERIES 1988 A

No. AR-1

$1,764,285

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF OAK HILL, a municipal corporation and political subdivision of the State of West Virginia in Fayette 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 ONE MILLION SEVEN HUNDRED SIXTY-FOUR THOUSAND TWO HUNDRED EIGHTY-FIVE DOLLARS ($1,764,285), 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 rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1988. 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 August 19, 1988.

This Bond is the only Bond of this Series (the "Bonds") and 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; and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on August 23, 1988 (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 concurrently with the Sewer Revenue Bonds, Series 1988 B, of the Issuer (the "Series 1988 B Bonds"), issued in the aggregate principal amount of $441,071, which Series 1988 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1988 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1988 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 1988 A Bonds Reserve Account and unexpended proceeds of the Bonds and the Series 1988 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 1988 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 1988 B Bonds, provided however,

that so long as there exists in the Series 1988 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 1988 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1988 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 Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All 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 owner of this Bond.

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

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a

part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the CITY OF OAK HILL has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated August 25, 1988.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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: August 25, 1988

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

CITY OF OAK HILL SEWER TOTAL BORROWING

ANALYSIS OF 7.50% BORROWING COST FOR LOCAL ISSUER

----------1988 SERIES A BONDS ----------

PERIOD ENDING 10/1	COUPON	PRIN.	INTEREST	DEBT SERVICE
1988	9.00		15,878.57	15,878.57
1989	9.00		158,785.65	158,785.65
1990	9.00	5,709	158,785.65	164,494.65
1991	9.00	6,223	158,271.84	164,494.84
1992	9.00	6,782	157,711.77	164,493.77
1993	9.00	7,392	157,101.39	164,493.39
1994	9.00	8,057	156,436.11	164,493.11
1995	9.00	8,783	155,710.98	164,493.98
1996	9.00	9,573	154,920.51	164,493.51
1997	9.00	10,436	154,058.94	164,494.94
1998	9.00	11,374	153,119.70	164,493.70
1999	9.00	12,398	152,096.04	164,494.04
2000	9.00	13,514	150,980.22	164,494.22
2001	9.00	14,730	149,763.96	164,493.96
2002	9.00	16,057	148,438.26	164,495.26
2003	9.00	17,502	146,993.13	164,495.13
2004	9.00	19,075	145,417.95	164,492.95
2005	9.00	20,792	143,701.20	164,493.20
2006	9.00	22,664	141,829.92	164,493.92
2007	9.00	24,704	139,790.16	164,494.16
2008	9.00	26,927	137,566.80	164,493.80
2009	9.00	29,351	135,143.37	164,494.37
2010	9.00	31,992	132,501.78	164,493.78
2011	9.00	34,871	129,622.50	164,493.50
2012	9.00	38,010	126,484.11	164,494.11
2013	9.00	41,431	123,063.21	164,494.21
2014	9.00	45,160	119,334.42	164,494.42
2015	9.00	49,224	115,270.02	164,494.02
2016	9.00	53,654	110,839.86	164,493.86
2017	9.00	58,483	106,011.00	164,494.00
2018	9.00	63,747	100,747.53	164,494.53
2019	9.00	69,485	95,010.30	164,495.30
2020	9.00	75,737	88,756.65	164,493.65
2021	9.00	82,554	81,940.32	164,494.32
2022	9.00	89,979	74,510.46	164,489.46
2023	9.00	98,082	66,412.35	164,494.35
2024	9.00	106,910	57,584.97	164,494.97
2025	9.00	116,531	47,963.07	164,494.07
2026	9.00	127,020	37,475.28	164,495.28
2027	9.00	138,452	26,043.48	164,495.48
2028	9.00	150,920	13,582.80	164,502.80
		1,764,285	4,825,656.23	6,589,941.23

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:

_____

08/22/88
OHSB3-G

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF OAK HILL
SEWER REVENUE BOND, SERIES 1988 B

No. BR-1 $441,071

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF OAK HILL, a municipal corporation and political subdivision of the State of West Virginia in Fayette 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 FOUR HUNDRED FORTY-ONE THOUSAND SEVENTY-ONE DOLLARS ($441,071), 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 August 19, 1988.

This Bond is the only Bond of this Series (the "Bonds") and 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; and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on

August 23, 1988 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1988 A, OF THE ISSUER (THE "SERIES 1988 A BONDS"), ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,764,285 AND DESCRIBED IN THE BOND LEGISLATION.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1988 A Bonds herein described, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1988 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 1988 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 1988 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1988 A Bonds or the Bonds, provided however, that so long as there exists in the Series 1988 B Bonds Reserve Account and the reserve account established for the Series 1988 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 1988 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor,

such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1988 A Bonds.

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

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

IN WITNESS WHEREOF, the CITY OF OAK HILL has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated August 25, 1988.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 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: August 25, 1988

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

CITY OF OAK HILL
ANALYSIS OF 7.50% BORROWING COST FOR LOCAL ISSUER
----------1988 SERIES A BONDS ----------

	ZERO COUPON BONDS
1988	
1989	
1990	11,310.00
1991	11,310.00
1992	11,310.00
1993	11,310.00
1994	11,310.00
1995	11,310.00
1996	11,310.00
1997	11,310.00
1998	11,310.00
1999	11,310.00
2000	11,310.00
2001	11,310.00
2002	11,310.00
2003	11,310.00
2004	11,310.00
2005	11,310.00
2006	11,310.00
2007	11,310.00
2008	11,310.00
2009	11,310.00
2010	11,310.00
2011	11,310.00
2012	11,310.00
2013	11,310.00
2014	11,310.00
2015	11,310.00
2016	11,310.00
2017	11,310.00
2018	11,310.00
2019	11,310.00
2020	11,310.00
2021	11,310.00
2022	11,310.00
2023	11,310.00
2024	11,310.00
2025	11,310.00
2026	11,310.00
2027	11,310.00
2028	11,291.00
	441,071.00

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:

_____

08/22/88
OHSB3-H

ALL STATE LEGAL SUPPLY CO ONE COMMERCE DRIVE CRAF W JERSEY 0701

ED 11-1C

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

TELECOPIER (304) 624-8183

CHARLESTON OFFICE

715 CHARLESTON NATIONAL PLAZA

P. O. BOX 1588

CHARLESTON, W. VA. 25326

(304) 342-2191

TELECOPIER (304) 342-0726

CHARLES W. YEAGER
CARL F. STUCKY, JR.
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
OTIS L. O'CONNOR
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES R. WATSON
JAMES D. GRAY
VINCENT A. COLLINS
JAMES A. RUSSELL
FRANK E. SIMMERMAN, JR.
WILLIAM T. BELCHER
MICHAEL L. BRAY
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
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
WILLIAM E. GALEOTA
GORDON H. COPLAND

RANDALL C. LIGHT
CHRISTOPHER P. BASTIEN
STEVEN P. McGOWAN
RICHARD M. YURKO, JR.
GARY W. NICKERSON
W. RANDOLF FIFE, JR.
MARTIN R. SMITH, JR.
LOUIS E. ENDERLE
ROBERT J. SCHIAVONI
JOSEPH R. FERRETTI
MARK E. KINLEY
EDWARD R. KOHOUT
MARCIA J. POLLARD

OF COUNSEL
ROBERT W. LAWSON, JR.
RALPH BOHANNON
ERNEST C. SWIGER

WRITER'S DIRECT DIAL NUMBER

August 25, 1988

City of Oak Hill
Sewer Revenue Bonds, Series 1988 A

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

Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Oak Hill (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $1,764,285 Sewer Revenue Bonds, Series 1988 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 August 19, 1988, 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 October 1, 1988, at the rate of 9.0% per annum, and with principal installments payable on October 1 in each of the years 1990 through 2028, inclusive, all as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

10

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

We have also examined the applicable provisions of the Local Statute, the bond ordinance duly enacted by the Issuer on August 23, 1988, as supplemented by a supplemental resolution adopted August 23, 1988 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

5. The interest on the Local Bonds is 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; however, it should be noted that with respect to 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) for the purpose of computing the alternative minimum tax imposed on such corporations. 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. Failure to comply with such requirements could cause the interest on the Local Bonds to be included in gross income retroactive to the date of issuance of the Local Bonds. The Issuer has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Local Bonds.

6. The Local Bonds are, under the Local Statute, exempt from direct taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and the interest on the Local Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

7. The Final Order of the Public Service Commission of West Virginia entered August 16, 1988 (Case No. 88-212-S-CN) granting to the Issuer a Certificate of Convenience and Necessity is not subject to appeal to the Supreme Court of Appeals of West Virginia or to further hearing, reopening or rehearing by any customer, protestant or other person who has not been made a party to the original application.

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

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

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

08/22/88
OHSB1-O

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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ERNEST C. SWIGER

WRITER'S DIRECT DIAL NUMBER

August 25, 1988

City of Oak Hill
Sewer Revenue Bonds, Series 1988 B

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

Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Oak Hill (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia of $441,071 Sewer Revenue Bonds, Series 1988 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 August 19, 1988, 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 1990 through 2028, inclusive, all as set forth in "Schedule X," attached to the Supplemental Loan Agreement.

The Supplemental Loan Agreement is supplemental to a loan agreement also dated August 19, 1988, between the Issuer and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien, pledge and source of and security for payment to the bonds issued pursuant to the Loan Agreement and designated "Sewer Revenue Bonds,

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Series 1988 A" (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

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

We have also examined the applicable provisions of the Local Statute, the bond ordinance duly enacted by the Issuer on August 23, 1988, as supplemented by a supplemental resolution adopted August 23, 1988 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Supplemental Bonds are authorized and issued, and the Supplemental Loan Agreement that has been undertaken. The Supplemental Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Supplemental Loan Agreement.

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

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

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

3. The Local Act and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer.

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

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

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

7. The Final Order of the Public Service Commission of West Virginia entered August 16, 1988 (Case No. 88-212-S-CN) granting to the Issuer a Certificate of Convenience and Necessity is not subject to appeal to the Supreme Court of Appeals of West Virginia, or to further hearing, reopening or rehearing by any customer, protestant or other person who has not been made a party to the original application.

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

We have examined the executed and authenticated 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

STEPTOE & JOHNSON

08/25/88
OHSB1-P

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WRITER'S DIRECT DIAL NUMBER

August 25, 1988

City of Oak Hill
Sewer Revenue Bonds, Series 1988 A

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

Gentlemen:

We have examined a transcript of proceedings relating to the issuance of $1,764,285 aggregate principal amount of Sewer Revenue Bonds, Series 1988 A (the "Local Bonds"), of the City of Oak Hill (the "Issuer"), and a Certificate as to Arbitrage executed by the Mayor of the Issuer on this date.

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

Accordingly, it is our opinion that, under existing statutes, regulations, rulings and court decisions, the Local Bonds are not "arbitrage bonds" as so defined. It is our further opinion, based upon such Certificate as to Arbitrage and under existing statutes, regulations, rulings and court decisions, that proceeds (as defined in the Code) of the Local Bonds are not

subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code.

The opinion set forth above is 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. Failure to comply with such requirements could cause the interest on the Local Bonds to be so included in gross income retroactive to the date of issuance of the Local Bonds. The Issuer has covenanted to comply with all such requirements.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

08/22/88
OHSB1-Q

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LYNN B. POLLARD

P. O. BOX 1145
TELEPHONE 469-2991
AREA CODE 304

August 25, 1988

City of Oak Hill
Sewer Revenue Bonds
Series 1988 A and Series 1988 B

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

Steptoe & Johnson
P. O. Box 2190
Clarksburg, West Virginia 26301

Gentlemen:

We are counsel to the City of Oak Hill, in Fayette County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson, as bond counsel, a loan agreement and supplemental loan agreement, both dated August 19, 1988, by and between the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"), the Local Act (as defined therein) and other documents relating to the above-captioned Bonds of the Issuer. Terms used in said opinions, Local Act and Loan Agreement and not otherwise defined herein have the same meanings herein.

We are of the opinion that:

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

2. The Issuer and the Sanitary Board of the City of Oak Hill have been duly created and the Mayor, City Clerk and members of the council and the Sanitary Board of the Issuer have been duly and properly elected or appointed, have taken the requisite oaths, and are authorized to act on behalf of the Issuer.

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

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

5. The Issuer has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, construction of the Project, operation of the System and imposition of rates and charges, including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal. The time for appeal of the Final Order of the Public Service Commission of West Virginia entered August 16, 1988 (Case No. 88-212-S-CN) granting to the Issuer a Certificate of Convenience and Necessity with respect to the Project has not expired prior to the date hereof. However, the Public Service Commission staff has stated in a letter dated August 17, 1988, that it does not intend to appeal such Order and there are no intervenors or other parties of record in the case, other than the Issuer.

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

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

Very truly yours,

HAMILTON, MOONEY, BURGESS
YOUNG AND TISSUE

BY: _____
Ralph C. Young

RCY:rbh

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A and Series 1988 B

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and CITY CLERK of the City of Oak Hill, in Fayette County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the $2,205,356 aggregate principal amount of the City of Oak Hill Sewer Revenue Bonds, Series 1988 A and Series 1988 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 Ordinance of the Issuer enacted August 23, 1988, and a Supplemental Resolution adopted August 23, 1988 (collectively, the "Local Act").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, construction of the Project, operation of the System, receipt of the Grant Receipts or the 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, construction of the Project, operation of the System, 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 approvals and certificates required by law for construction of the Project, operation of the System and issuance of the Bonds have been obtained and remain in full force and effect, and competitive bids for construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval 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 revenues or assets of the System.

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

Charter of the City of Oak Hill.

Bond Ordinance.

Ordinance Creating Sanitary Board.

Petition of Sanitary Board.

Supplemental Resolution.

Rate Ordinance.

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

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

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

Loan Agreement.

EPA Grant Agreement, with Part B Amendment.

Public Service Commission Order entered August 16, 1988.

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "City of Oak Hill." The Issuer is a municipal corporation in Fayette County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council consisting of a Mayor and 6 councilmembers whose names and dates of commencement and termination of current terms of office are as follows:

Name		Date of Commencement of Office	Date of Termination of Office
Eugene G. Larrick, Jr.	- Mayor	July 1, 1987	June 30, 1991
Larry Harding	- Councilmember	July 1, 1987	June 30, 1991
E. J. Wood	- Councilmember	July 1, 1987	June 30, 1991
Russell Matthew	- Councilmember	July 1, 1987	June 30, 1991
Barbara Hickman	- Councilmember	July 1, 1987	June 30, 1991
Johnnie Ferri	- Councilmember	July 1, 1987	June 30, 1991
Carl Riner	- Councilmember	July 1, 1987	June 30, 1991

The names of the duly appointed and acting members of the Sanitary Board of the Issuer are as follows:

Eugene G. Larrick, Jr.	-	Chairman
J. Walter Brown	-	Member
Wallace Bennett	-	Member

The name of the duly appointed and acting City Manager of the Issuer is Thomas Oxley.

The duly appointed and acting City Clerk is Virginia Fox. The duly appointed and acting counsel to the Issuer is Hamilton, Mooney, Burgess, Young & Tissue, of Oak Hill, West Virginia.

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

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the construction, acquisition, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including Chapter 6, Article 9A, of the Official West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the Governing Body was present and acting at all times during all such meetings.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability 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 Ordinance is in full force and effect. The System is not presently covered by policies of flood or business interruption insurance, but will be if such coverages are available at reasonable cost.

10. GRANTS, ETC: As of the date hereof, the EPA has committed to the Issuer a grant in the approximate amount of $2,985,900.

11. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are

true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

12. RATES: The Issuer has duly enacted a rate ordinance on November 10, 1983, setting rates and charges for the services of the System. Such rate ordinance is presently in full force and effect, the period for appeal of such rate ordinance has expired and there has been no appeal thereof.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, all dated August 25, 1988, by his manual signature, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon each of said Bonds and to be attested by her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. BOND PROCEEDS: On the date hereof the Issuer received from the Authority the agreed purchase price of the Bonds, being $2,205,356 (100% of par value), there being no interest accrued thereon.

15. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in a newspaper published and of general circulation in the City of Oak Hill, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 23rd day of August, 1988, at 7:30 p.m., in the Council Chambers of the City Hall of the City of Oak Hill and present protests, and

stating that a certified copy of the Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the City Clerk. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

16. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received a Final Order of the Public Service Commission of West Virginia entered August 16, 1988 (Case No. 88-212-S-CN) granting to the Issuer a Certificate of Convenience and Necessity with respect to the Project. The time for appeal of such Order has not expired prior to the date hereof. However, the Public Service Commission staff has stated in a letter dated August 17, 1988, that it will not take exception to or appeal such Order and there are no intervenors or other parties of record in the case, other than the Issuer. The Issuer does not intend to take exception to or appeal such Order.

17. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Series A 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 on, or the interest on, such issue, under the terms of 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 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 other than a governmental unit, other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder.

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

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

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

WITNESS our signatures and the official seal of the CITY OF OAK HILL on this 25th day of August, 1988.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	City Clerk
_____	Counsel to Issuer

08/23/88
OHSB1-S

Thomas M. Oxley — CITY MANAGER

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A

CERTIFICATE AS TO ARBITRAGE

I, EUGENE LARRICK, JR., Mayor of the CITY OF OAK HILL, in Fayette County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $1,764,285 aggregate principal amount of Sewer Revenue Bonds, Series 1988 A, of the Issuer, dated August 25, 1988 (the "Local Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986 and applicable regulations (the "Code"). I am one of the officers of the Issuer charged with the responsibility of issuing the Local Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 25, 1988, the date on which the Local Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the ordinance pursuant to which the Local Bonds are issued, the Issuer has covenanted to make no use of the proceeds of the Local Bonds which would cause the Local Bonds to be "arbitrage bonds" within the meaning of the Code.

6. The Local Bonds and the Series 1988 B Bonds (the "Supplemental Bonds"), which bear no interest, were sold on August 25, 1988, to the West Virginia Water Development

Authority (the "Authority") for an aggregate purchase price of $2,205,356 (100% of par).

7. The Local Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"), funding a reserve account for the Local Bonds and paying costs of issuance thereof.

8. The Issuer shall, within 30 days following delivery of the Local 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 deposited in a reserve account for the Local Bonds, all of the proceeds from the sale of the Local Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before November, 1989. Construction of the Project is expected to be completed by October, 1989.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $5,191,256. Sources and uses of funds for the Project are as follows:

Sources

Gross proceeds of Local Bonds	$1,764,285
Gross proceeds of Supplemental Bonds	441,071
EPA Grant	2,985,900
Total Sources	$5,191,256

Uses

Design, Acquisition and Construction of Project	$5,000,443
Funded Reserve for Local Bonds	164,503
Funded Reserve for Supplemental Bonds	11,310
Other Costs of Issuance	15,000
Total Uses	$5,191,256

The amount of Project costs not expected to be reimbursed or paid from grants and Supplemental Bond proceeds is estimated to be at least equal to the gross proceeds of the Local Bonds. Except for the proceeds of the Local Bonds, the Supplemental Bonds and the EPA Grant, 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:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Bond Construction Trust Fund;

(4) Series 1988 A Bonds Sinking Fund, and within the Series 1988 A Bonds Sinking Fund the Series 1988 A Bonds Reserve Account; and

(5) Series 1988 B Bonds Sinking Fund, and within the Series 1988 B Bonds Sinking Fund the Series 1988 B Bonds Reserve Account.

11. Pursuant to 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 $164,503 and Supplemental Bonds proceeds in the amount of $11,310 will be deposited in the Series 1988 A Bonds Reserve Account and the Series 1988 B Bonds Reserve Account, respectively.

(2) Local Bonds proceeds in the amount of $25,250 will be applied to payment of certain advances

made to the Issuer for the purpose of temporarily financing a portion of the Costs of the Project.

(4) 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.

12. Moneys held in the Series 1988 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Local Bonds and will not be available to meet costs of construction of the Project. All investment earnings on moneys in the Series 1988 A Bonds Sinking Fund and Series 1988 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Bond Construction Trust Fund until completion of the Project, and thereafter will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied in full, first to the next ensuing interest payment, if any, due on the Series 1988 A Bonds, and then to the next ensuing principal payment due thereon.

13. Except for the Series 1988 A Bonds Sinking Fund, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Local Bonds or which are pledged as collateral for the Local Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Local Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Renewal and Replacement Fund will be used or needed for payments upon the Local Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts or other investment-type property producing a yield in excess of the yield on the Local Bonds have been or will be pledged to payment of the Local Bonds. Amounts in the Series 1988 A Reserve Account, not to exceed 10% of the proceeds of the Local Bonds, if invested, will be invested without yield limitation. The establishment of the Series 1988 A Reserve Account is required by the Authority, is vital to its purchase of the Local Bonds and is reasonably required to assure payments of debt service on the Local Bonds.

14. The Issuer expects to enter into a contract or contracts 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 construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within 13 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. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Local Bonds.

18. With the exception of the amounts deposited in the Series 1988 A Reserve Account, all of the proceeds of the Local Bonds will be expended on the Project within 14 months from the date of issuance thereof.

19. Any money deposited in the Series 1988 A Bonds Sinking Fund for payment of the principal of or interest on the Local Bonds (other than the Series 1988 A Bonds Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt, and any moneys received from the investment of amounts held in the Series 1988 A Bonds Sinking Fund (other than in the Series 1988 A Reserve Account therein) will be spent within a 1-year period beginning the date of receipt.

20. 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 April 28, 1988.

21. The amount designated as cost of issuance of the Local Bonds consists only of costs which are directly related to and necessary for the issuance of the Local Bonds.

22. All property financed with the proceeds of the Local Bonds will be held for Federal income tax purposes by (or on behalf of) a qualified governmental unit.

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

24. No more than 10% of the proceeds of the Local Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of Local Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.

25. The original proceeds of the Local Bonds will not exceed the amount necessary for the purposes of the issue.

26. The Issuer shall use the Local Bond proceeds solely for the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

27. The Issuer shall not permit at any time or times any of the proceeds of the Local 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 Local Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Local Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Local Bonds is excludable from gross income for federal income tax purposes.

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

29. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than $5,000,000 of tax-exempt obligations during the calendar year 1988, excluding "Private Activity Bonds" as such term is defined in the Code.

30. The Issuer shall use the Local Bond proceeds solely for the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

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

32. The Issuer has either (a) funded the Series A 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 A Reserve Account which will be funded with equal payments made on a monthly basis over a 10 year period until such Series A 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 A Reserve Account and the Series A Sinking Fund (established for the annual payment of principal and interest) will

be used solely to pay principal of and interest on the Local Bonds and will not be available to meet the cost of the Project.

33. The Issuer shall submit to the Authority within 15 days following the end of the Issuer's bond year a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Local Bonds subject to rebate.

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

35. Steptoe & Johnson is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein rendering its opinions regarding the tax-exempt status of interest on the Local Bonds.

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

IN WITNESS WHEREOF, I have set my hand this 25th day of August, 1988.

CITY OF OAK HILL

By Eugene Lewis Jr.
Mayor

08/23/88
OHSB1-T

ALL-STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE CRANFORD JERSEY 07016

ED 11-1C

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A and Series 1988 B

ENGINEER'S CERTIFICATE

I, H. Ben Fitzkee Jr., Registered Professional Engineer, West Virginia License No. 4702, of Pentree, Inc. consulting engineers, of Princeton, West Virginia, hereby certify as follows:

1. My firm is engineer for the construction and acquisition of certain additions, betterments and improvements (the "Project") for the existing sewerage system of the City of Oak Hill in Fayette County, West Virginia (the "Issuer"). Certain costs of such construction and acquisition are being financed by proceeds of the above-captioned bonds (the "Bonds") anticipated to be purchased by the West Virginia Water Development Authority (the "Authority"), and certain grant proceeds from the Environmental Protection Agency.

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 is situate wholly or chiefly within the boundaries of the City of Oak Hill; (ii) the Project is adequate for the purpose for which it was designed and all necessary governmental approvals for the 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 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 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 construction of the Project and, to the extent presently obtainable, operation of the System; (v) the construction and funding for the Project should proceed to a successful conclusion within the time schedules proposed; (vi) the useful life of the facilities constituting the Project is not less than 40 years; (vii) the rates

and charges for the sewerage system of the Issuer comply with the applicable provisions of the Loan Agreement and Supplemental Loan Agreement by and between the Authority and the Issuer; (viii) the net proceeds of the Bonds, together with the proceeds of grants and other moneys of the City of Oak Hill on deposit or to be simultaneously deposited and irrevocably committed therefor, will be sufficient to pay the costs of acquisition and construction of the Project as set forth in the application submitted to the Authority as of the date of the Loan Agreement; and (ix) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this 25th day of August, 1988.

PENTREE, INC.

By _____

08/22/88
OHSB1-G

DATE: August 16, 1988

AMENDED SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: Oak Hill Sanitary Board

TOTAL COST OF PROJECT AND SOURCES OF FUNDS

A. Cost of Project

. Construction	$ 3,723,048	
. Technical Services	$ 908,910	
. Legal and Fiscal	$ 31,800	
. Administrative	$ 64,830	
. Site and Other Lands	$ 45,500	
. Step I and/or Step II Design or Other Loan Repayment (Specify Type: WDA)	$ 25,250	
. Interim Financing Costs	$ 15,000	
. Contingency	$ 186,105	
. Total of Lines 1 through 8		$ 5,000,443

B. Sources of Funds

0. Federal Grants:[1] (Specify Source)	EPA	$ 2,985,900	
		$	
1. State Grants:[1] (Specify Source)		$	
		$	
		$	
		$	
2. Other Grants:[1] (Specify Source)		$	
		$	
3. Any Other Source[2] (Specify)		$	
		$	
4. Total of Lines 10 through 13			$ 2,985,900
5. Proceeds Required from Bond Issue (Line 9 less Line 14)			$ 2,014,543

C. Cost of Financing

6. Capitalized Interest (construction period plus six months)	$	
7. Funded Reserve Account[3]	$ 175,813	
8. Other Costs[4] (Bond Counsel)	$ 15,000	
	$	
9. Total Cost of Financing		$ 190,813
0. Size of Bond Issue (Line 15 plus Total from Line 19)		$ 2,205,356

Oak Hill Sanitary Board
E. G. Lorrick
E. G. Lorrick, Jr. - Mayor/Chairman

Pentree Inc.
H. Ben Faulkner Jr.
Pres.

HOWARD M. CLOKE III
Certified Public Accountant
5950 U. S. Route 60 East
Barboursville, West Virginia 25504
304-736-8162

August 25, 1988

City of Oak Hill
Sewer Revenue Bonds,
Series 1988 A and Series 1988 B

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

Gentlemen:

Based upon the rates and charges as set forth in the ordinance of the City of Oak Hill enacted November 10, 1983, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Pentree, Inc., consulting engineers, it is our opinion that (i) such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the City of Oak Hill, will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 1988 A and Series 1988 B, to be issued to West Virginia Water Development Authority and all other obigations secured by or payable from the revenues of the System prior to or on a parity with such Bonds; and (ii) the City will have sufficient revenues to make all payments required by the ordinance authorizing issuance of the Sewer Revenue Bonds, Series 1988 A and Series 1988 B.

Sincerely,

Howard M Cloke III

Howard M. Cloke III
Certified Public Accountant

HMC/ld

17

THE CHARTER OF THE CITY OF OAK HILL, WEST VIRGINIA

SEC. 1. INCORPORATION.

The inhabitants of so much of Fayette County, West Virginia as are within the boundaries prescribed by Section Two of this charter, and their successors, shall be and continue in perpetuity a municipal body politic and corporate under the name of the "City of Oak Hill". In the event of a change in such boundaries in the manner prescribed by law, the inhabitants therein and their successors shall likewise be and continue as such municipal body.

SEC. 2. CORPORATE LIMITS.

The corporate limits of the City of Oak Hill shall, for the time being and until changed in the manner provided by law, consist of the land lying within the following boundaries:

BEGINNING at a stake on the northeast side of the Giles, Fayette and Kanawha turnpike, near its junction with the Meadow Fork road, thence N 62 degrees 45' E 1114 feet to a stake in line of Jones and Gardner; thence on Jones N 54 degrees W 907 feet to a stake and three small hickories, with dogwood and chestnut pointers near Gardner's corner; thence on Jones N 50 degrees E 1068 feet to a stake in line of the old Deviese land, with chestnut oak and white oak pointers; thence N 52 degrees W 403 feet to a black oak, corner to Clark; thence with Clark N 67 degrees E 245 feet to a white oak; thence N 24 degrees 45' W 40 feet, corner to school house lot; thence with and passing school house and church lots N 59 degrees 45' E 979 feet to a poplar and black oak on the north side of Arbuckle Road, corner to J. D. Woods and others; thence S 87 degrees E 461 feet to a white oak on north side of Arbuckle Road; thence N 66 degrees E 289 feet to corner of old Frazier Mill foundation on the north side of Arbuckle Road thence N 15 degrees W 152 feet, corner to C. Mankin and in line of J. S. Lewis; thence with and through C. Mankin, N 70 degrees E 800 feet to a stake in Mankin's field about thirty feet from the edge of the woods; thence N 52 degrees 15' E 403 feet to a stake; thence N 05 degrees 56' E 353 feet to a stake; thence around top of cliff N 41 degrees 26' W 234 feet to a T-rail on top of cliff on Clyde Mankin's property; thence with a straight line N 13 degrees 47' E 1601 feet (crossing Minden Road at 630 feet and Arbuckle Creek) to a stake, corner of Hawkins and M.M. Ingram; thence N 61 degrees 24' E 660 feet, cutting through the Hawkins property, to a stake at intersection of Young and Terry Streets; thence N 81 degrees 17' E 960 feet along south side of Young Street and with rail fence and line of R.D. Terry, O. Johnson and Treadway to a stake in the rail fence in line of M. C. Treadway; thence N 07 degrees 19' W 1233 feet, said line being east from Park Street; thence N 45 degrees 45' W 314 feet to a stake on line between the third and fourth lots east of Park Street of Belvoir Addition; thence crossing Salem Road diagonally N 13 degrees 11' E 70 feet to a stake at north edge of Salem Road; thence N 63 degrees 54' W 981 feet, approximately on line with Richardson fence and crossing concrete

pavement of U. S. Routes 19-21 and nineteen feet past west side of said concrete pavement to a post in old fence near Ray Williams' house; thence N 08 degrees 42' W 1802 feet to a red oak and pine stump and pointers, corner to Duncan property; thence S 80 degrees 56' W 1666 feet to three white oaks by fence, corner to said Duncan property; thence S 00 degrees 22' W 2399 feet to a stake, corner to Highlawn Memorial Park Company; thence S 65 degrees 46' E 464 feet to a set rail in line of said Company; thence S 23 degrees 05' W 1260 feet and on line between Lots 290 and 291, 250 and 251, 213 and 214, 177 and 178, 143 and 144, 111 and 112 of Eastview Addition, to a T-rail in concrete, corner to Eastview Addition, station 3777 on map; thence S 44 degrees 16' W 746 feet to a large white oak beside Arbuckle Creek, station 3717 on map; thence N 65 degrees 22' W 459 feet to a T-rail in concrete, two gum pointers, corner to Duncan, Ryner and Richards; thence with Duncan and Ryner N 56 degrees W 2835 feet to a stake, corner to Bowyer; thence leaving Ryner and with Bowyer S 22 degrees 30' W 1185 feet to a stake in road, corner to Bowyer; thence leaving Bowyer and with the road S 62 degrees 30' E 260 feet to a stake in said road and corner to McLain, thence leaving the road and with McLain S 36 degrees W 820 feet to a stake, corner to McLain and Hill; thence with Hill S 54 degrees E 282 feet to a stake; thence S 37 degrees 45' W 275 feet to a stone, corner to Hill and Wooldridge; thence leaving Hill S 46 degrees W 91 feet to a stake; thence S 59 degrees W 1138 feet, crossing a branch at 108 feet and crossing Loop Creek road at 1080 feet to a stake in Col. J.W. Davis' line, with small chestnut pointer; thence S 00 degrees 03' W 876 feet, crossing the Loop Creek Road at 650 feet to a white oak on the south side of said road, corner to Duncan, Collins, Davis and others; thence with the south side of the Loop Creek Road S 63 degrees E 813 feet to a stake, corner to J. Blake and Collins; thence with Blake and Collins, S 10 degrees W 550 feet to a stake; thence S 12 degrees E 825 feet to a stake in a deep hollow in line of Gipson; thence up the hollow with Gipson, S 45 degrees E 350 feet to a stake; thence S 38 degrees E 200 feet to a stake, corner to Logan; thence with Logan S 00 degrees 04' W 346 feet to a stake, corner to same; thence S 73 degrees W 900 feet to a stake in Jones' field on northwest hillside; thence through Jones S 48 degrees W 637 feet to a stake in line of Jones and Harvey, with poplar pointer, on north side; thence S 14 degrees W 775 feet to a stake on an east hillside, dogwood and chestnut pointers; thence S 15 degrees E 400 feet, crossing the White Oak Road at 240 feet to a hickory by a branch, corner to Jones and Harvey, thence S 10 degrees W 462 feet to a gum on the side of the hill and in line of Jones and Harvey; thence S 76 degrees E 842 feet to a stake on the top of ridge in Jones' field; thence N 83 degrees E 1470 feet, crossing two deep hollows, to a stake on point of ridge in Jones' field; thence N 17 degrees E 542 feet to a stake by the side of a fence in Jones' field; thence N 61 degrees E 1487 feet to the place of beginning.

EDITOR'S NOTE: See note at Administrative Law, Article 3, concerning Minor Boundary Changes subsequent to the adoption of this Charter and the boundaries described above.

SEC. 3. SUCCESSION.

The City of Oak Hill, as successor in interest of the municipal corporation heretofore existing of the same name, shall have, own and possess all the rights, property, claims, demands, actions and assets of every kind and nature belonging to such prior corporation at the time this charter takes effect, and shall also be subject to all the existing debts, obligations, liabilities and duties of such prior municipal corporation.

SEC. 4. FORM OF GOVERNMENT.

The "Manager Plan" form of municipal government, as now or hereafter defined by the statutes of the State of West Virginia, is established by this charter. Subject to the provisions hereof and to any limitations imposed by the Constitution and general laws of the State of West Virginia hereto applicable, all powers of the City shall be vested in an elective city council, which shall enact local legislation, adopt budgets, determine policies and appoint the city manager, who shall be the administrative authority of the City and who shall execute the laws and administer the government of the City. All powers of the City shall be exercised in the manner provided by this Charter or, if the manner be not prescribed herein or by the general laws of the State, then in such manner as may be prescribed by ordinance of the City duly enacted by the council.

SEC. 5. CORPORATE POWERS.

The City of Oak Hill shall have all the powers granted to municipal corporations and to cities of its class by the Constitution and general laws of the State of West Virginia, together with all the implied and fairly incidental powers necessary and proper to carry into execution all the powers so granted. Without in any manner limiting the generality of the foregoing, the enumeration of any particular powers herein or in any other section of this charter not to be deemed in any manner exclusive, the City shall have and exercise all the powers conferred by Chapter Eight-A of the West Virginia Code of 1943, and the City shall have the power to create by ordinance, appoint the members and provide for the financial support of any of the separate administrative boards provided for in Chapter Eight-A, Article Three, Section Five-A of said Code; to call and hold a special election to submit to the voters of the City the question of the recall of any elected officer of the City in accordance with the provisions of Chapter Eight-A, Article Three, Section Eight of said Code; to provide by ordinance for the establishment of a police court for the City with such powers, jurisdiction and duties as may be therein prescribed and to provide by ordinance for the qualifications and appointment of a police judge for said court; to have and exercise all the powers and rights as set forth in Article Nine of Chapter Eight of said Code, relating to assessments for paving or other permanent street improvements; to provide by ordinance for the establishment, continuance, maintenance, installation and/or improvement of such special services as are described in Chapter Eight, Article Four, Section Twenty of said Code; to have, exercise and provide by ordinance for the manner and method of the exercise of any or all of the powers granted to the City by said Chapter Eight-A, the general laws of the State applicable to municipal corporations, as said chapter or general laws now are or may hereafter be, or granted by this charter; it being the expressed intention of this charter that the City shall have and exercise all powers which it would be competent for this charter to specifically enumerate.

SEC. 6. THE COUNCIL, QUALIFICATIONS, TERMS AND SALARY OF MEMBERS; SELECTION OF MAYOR AND SALARY; VACANCIES; POWER OF REMOVAL OF OFFICERS.

The council shall consist of seven members, to be elected at large by the qualified voters of the City for terms of four years or until their successors have been elected and take office. Councilmen shall be qualified voters of the City and no person shall be eligible for the office of member of the council or be allowed to qualify as such except he be assessed with and own at least five hundred dollars worth of real or personal property in said City.

A councilman shall hold no other public office during his terms as a member of the council. If a councilman shall cease to be qualified or shall be convicted of any crime involving moral turpitude, his office shall immediately become vacant.

Before taking office the councilmen and all other officers of the City shall take the oath or affirmation required by Section Five, Article Four of the Constitution of this State.

At the first regular meeting held in July following the regular city election, the newly elected councilmen shall first be inducted into office. The council shall then elect one of its members to serve as mayor for a term of four years. The Mayor shall preside at meetings of the council, shall be recognized as the head of the City government for all ceremonial and military purposes and shall be the proper officer to execute deeds, contracts (except such contracts as the council may authorize the city manager to execute) or similar formal documents for and on behalf of the City, but the mayor shall have no regular administrative duties. The council shall also elect one of its members to serve as assistant mayor for the term of four years, who shall act as mayor during the temporary absence or disability of the regular mayor and who, if a vacancy occurs, shall become the mayor for the remainder of the unexpired term.

The salary of the mayor and the salary of all other councilmen shall be fixed by the council and be payable at such times and on such terms as it may by ordinance direct.

If a vacancy occurs, from any cause whatsoever, in the office of councilman, the council shall, by a majority vote of the remaining members, appoint a qualified person to fill the vacancy for the remainder of the unexpired term.

The council shall have and is hereby granted the power and authority to remove from office any officer, whether elective or appointive, for cause or upon written charges preferred by any responsible citizen of the City to the council; but to remove from office under this provision at least five of the members of the council must be present and at least four shall concur in such removal, and the officer against whom the charges are preferred shall be served with notice of the same, together with notice of the time of hearing, a reasonable time prior thereto, and shall likewise receive a copy of the charges preferred showing the nature thereof; he shall have the right to be represented before the council in person and by attorney and may require that all witnesses be sworn and testify under oath before the council and to have the testimony taken down. In the event of proceedings hereunder against any elective officer of the city no special election as to the question of the recall of such officer shall thereafter be held during the same term of office of that officer and in the event of such special election being held as to any elective officer no proceedings shall be had hereunder during the same term of office of that officer as to him, the remedies provided herein and by the recall provisions of this charter being mutually exclusive and not cumulative.

SEC. 7. QUALIFICATIONS OF VOTERS; REGISTRATION.

Every person who shall have resided within the territory of the City for six months next preceding an election held therein, and who is a qualified voter under the laws and Constitution of this State, and none others, shall be entitled to vote at any election held within the City.

The council may by ordinance provide such regulations for the registration of voters as the laws of this State may provide, giving effect therein to the permanent registration law of the State of West Virginia.

SEC. 8. CITY ELECTIONS.

Regular city elections shall be held on the first Tuesday in June, one thousand nine hundred and forty seven and on the first Tuesday in June of every fourth year thereafter. Special elections shall be called and held for lawful purposes at such times as may be fixed by the council, in accordance with the general laws of the State relative thereto. All elective city officials shall be chosen at regular city elections.

The nomination of all candidates for office to be filled by the voters of the city at such elections, shall be made by convention, which convention shall meet and shall certify to the city clerk at least twenty days before the date set for the election, as provided herein, a list of all candidates for office so nominated and to be voted for at said election. No person shall be eligible or allowed to participate in any such convention unless he is a qualified voter of the City. No certificate of such convention shall be received or recognized unless it affirmatively appear therefrom that at least 5% of the duly qualified and registered voters of the City were present and participating in such convention. The council shall have the right in meeting duly assembled within one week of the date of the receipt of such certificate, to verify such nominations and the facts relating thereto, and to order the rejection of any and all nominations not made in accordance with the requirements of this section. No more than seven nominees for members of the council shall be nominated at any one convention. All elective officers shall be nominated and voted for as "non-partisan." All candidates legally nominated shall have their names upon one ballot in alphabetical order and without Party designation.

The seven nominees for council on said ballot who shall receive the highest number of votes shall be declared elected. The printing of the ballots and the manner, conduct and ascertainment of results of the election shall, except as herein otherwise specifically provided, be governed in all respect, where applicable, by the general laws of this State relating to the holding, conduct and ascertainment of results of elections.

SEC. 9. MEETINGS OF THE COUNCIL; RULES OF PROCEDURE; JOURNAL.

Regular meetings of the council shall be held on the first Tuesday of each month, at such hour as the council may by rule prescribe. Special meetings may be held at any time upon the call of the mayor or any four councilmen and upon such notice as the council may by rule prescribe. A majority of the full membership of the council shall constitute a quorum for the doing of business but a lesser number may adjourn the meeting from time to time. All meetings of the council shall be open to the public and any citizen of the City shall have the right to be heard by the council at such times and under such reasonable rules as the council may by rule prescribe.

The council shall by resolution adopt by-laws prescribing its own rules, procedure and order of business and shall keep a journal of all of its proceedings which shall be open to public inspection.

SEC. 10. POWERS OF THE COUNCIL; APPOINTMENT AND SALARY OF THE CITY MANAGER; QUALIFICATIONS; REMOVAL; APPOINTMENT OF CHIEF AND MEMBERS OF POLICE DEPARTMENT.

Except as otherwise provided in this charter, all of the powers of the City and the determination of all matters of policy shall be vested in the council. The council shall provide by ordinance for the execution of any or all powers granted to the city.

The council shall appoint a city manager to serve for such period of time as it and the manager may by contract agree, but such contract shall not, in any event, be for a longer period of time than the length of the term then remaining of the council so appointing the manager. Such contract shall expressly provide that it is subject to all provisions of this charter. The council shall fix the salary of the manager in such contract. The manager shall be chosen by the council solely on the basis of his executive and administrative qualifications, with special reference to his experience and training in the field of city management. During his tenure of office he shall reside within the city. No councilman, during his term of office and for one year thereafter, shall be eligible for appointment as city manager.

The council may remove the manager from office at any time by a majority vote of its members. At least thirty days before such removal shall become effective, the council shall by a majority vote of its members adopt a preliminary resolution stating the reasons for his removal, a copy of which shall be forthwith delivered to the manager. The manager may reply in writing within ten days after such delivery and may request a public hearing, which shall be held not earlier than ten days and not later than twenty days after the filing of such request. After such public hearing, if one be requested, or if not requested, at a private hearing, and after full consideration, the council may by a majority vote of its members adopt a final resolution of removal. By the preliminary resolution the council may suspend the manager from duty but shall in any case except that of fraud or gross malfeasance cause the manager to be paid forthwith any unpaid balance of his salary and, if the final resolution of removal is adopted, his salary for the calendar month following adoption of the preliminary resolution, which payments shall constitute a full settlement of all liability of the City to the manager under his contract of employment.

The council shall appoint and employ the chief and all members of the police department and shall fix their respective salaries. The council shall remove or discharge the chief or members of such department at its sole discretion.

SEC. 11. COUNCIL NOT TO INTERFERE IN APPOINTMENTS OR REMOVALS.

Neither the council nor any of its members shall direct or request the appointment of any person to, or his removal from, office by the city manager or any of his subordinates; nor, except upon the express request of the city manager, shall the council or any of its members suggest or advise any such appointment or removal, but nothing herein contained shall in any manner affect or abrogate the right of the council, as a body, to require the manager to conform to its lawful orders and to be strictly responsible for the proper conduct and administration of his duties.

SEC. 12. POWERS AND DUTIES OF THE CITY MANAGER.

The city manager shall be the chief executive officer and the head of the administration branch of the city government. He shall be responsible to the council for the proper and efficient administration of all affairs of the city and to that end, subject to the provisions of this charter, shall have power and shall be required to:

(a) Appoint, and when deemed necessary or advisable, remove, all officers and employees of the City except as otherwise provided by this charter and except as he may authorize the head of a department or office to appoint and remove subordinates in such department or office;

(b) Prepare the annual budget and submit it to the council and be responsible for its administration after adoption by the council;

(c) Prepare and submit to the council as of the end of the fiscal year a complete report on the finances and administrative activities of the city for the preceding year;

(d) Keep the council advised concerning the financial condition and future needs of the City and make such recommendations as to him may seem desirable;

(e) Perform such other duties as may be required of him by this charter, by general law, or by order of the council.

The manager may by letter filed with the city clerk designate some qualified administrative officer of the City to perform the duties of the manager during his temporary absence or disability. If the manager fails to make such designation, the council may by resolution appoint an officer of the city to act for the manager during his absence or disability.

SEC. 13. CITY CLERK.

The council shall appoint an officer of the city who shall have the title of city clerk and who may be the city manager, to serve at its will and pleasure and shall fix his salary. The clerk shall act as the secretary of the council, shall give notice of its meetings, keep the journal of its proceedings, authenticate by his signature and record in full in a book kept for the purpose, all ordinances and resolutions of the council; he shall have custody of and keep open to public inspection when not in use all books and permanent records of the City, and shall also perform such other duties as may be required of him by this charter or by order of the council.

SEC. 14. CITY TREASURER.

The council shall appoint a city treasurer to serve at its will and pleasure and shall fix his salary. The treasurer shall be responsible for the custody of all city funds and for their disbursement on such order or requisition as the council may prescribe. He shall, under the supervision of the city manager, be charged, except as may be otherwise provided by law, with the collection of taxes, special assessments and other revenues. It shall be the duty of the treasurer to see that the accounts of the City are kept in a detailed and systematic manner, under the proper classification so as to show the bonded and other indebtedness of the City, and the amounts and claims due the City, as well from taxes, levies and assessments as from other sources. The city treasurer shall, under the the direction of the manager, assist in the preparation of the levy estimate for each year and shall submit the same to the council in accordance with its direction.

SEC. 15. CITY ATTORNEY.

The council may appoint a city attorney to serve at its will and pleasure who shall be a duly licensed attorney at law. His salary shall be such as agreed upon between him and the council and as fixed by the council.

The city attorney shall be the legal adviser of the council and of all officers, departments and agencies of the city in matters relating to their official powers and duties.

He shall represent the city in all legal proceedings and shall also perform such other duties incident to his position as may be required of him by law or by the order of the council.

SEC. 16. ADMINISTRATIVE OFFICES AND DEPARTMENTS.

There shall be in the City government a police department, a fire department, a street department and such other administrative departments as may by ordinance be created by the council. Each department shall have such powers and duties as may be assigned to it by the council. The city manager shall appoint, subject to the confirmation thereof by the council, as the head of each department except the police department, a chief or director, who shall be responsible for the efficient administration of the department and subject to the supervision and direction of the manager. Two or more departments may be headed by the same individual and the manager may, with the approval of the council, be the head of one or more departments.

The council may by ordinance create, combine, change or abolish offices, departments or agencies, other than those established by this charter. The council may assign additional duties or functions to any office, department or agency created by this charter but may not discontinue or transfer any function or duty assigned by this charter to any particular office, department or agency.

SEC. 17. CONTRACTS AND PURCHASES; OFFICERS NOT TO BE PERSONALLY INTERESTED IN; PENALTY.

Except as otherwise provided in this section, the council may by resolution prescribe rules and regulations governing the making of contracts and purchases by city officials. Competitive bidding, after due advertisement, shall be required in the case of all contracts for city improvements costing more than one thousand dollars ($1000.00) and all contracts for the purchase of supplies and equipment, except such as may be purchased under the next paragraph of this section, shall be first approved by the council.

The council may provide by ordinance for the centralized purchasing of material, supplies and equipment. By agreement with the State Director of Purchases, the council may authorize the manager or purchasing agent of the City to purchase through the State Department of Purchases or may authorize agreements with one or more municipalities, counties and/or county boards of education for centralized purchasing for all governmental units which are parties to such an agreement.

It shall be unlawful for the council or any member thereof, or other officer or officers of the City, to be interested personally, either directly or indirectly, or as a member, manager, officer or stockholder of any partnership, business, firm or corporation, in any contract furnishing material or supplies to the City or to any contractor or workman for the City, whereby the tax payers of the City shall become the paymaster, either directly or indirectly. Any violation of the provisions of this section, by any member of the council or other officer of the City, is a misdemeanor and upon conviction thereof said member or officer shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500.00), and shall forfeit his office.

SEC. 18. AUDITS AND ACCOUNTS; BONDS OF OFFICERS AND EMPLOYEES.

The council shall by resolution provide for such system of collecting, auditing, budgeting, accounting and record-keeping as may in its opinion be necessary or desirable.

The council shall require the manager and treasurer, and may require any other City officer or employee, to give bond for the faithful performance of his duties in such amounts and with corporate surety as the council may determine. The premium on such bonds shall be paid by the City.

In addition to the regular annual audit made by the state tax commissioner, the council may at any time it is deemed necessary employ qualified public accountants to make special independent audits of the finances of the city or of the accounts of any officer.

SEC. 19. ORDINANCES.

In addition to such acts of the council as are required by this charter or by general law to be by ordinance, every act of the council establishing a fine or other penalty or providing for the contracting of indebtedness, shall be by ordinance. All ordinances hereafter enacted shall be enacted in accordance with the provisions of this charter, the general laws of this State and particularly with the provisions of Chapter Eight-A of the West Virginia Code of 1943, as amended.

The enacting clause of all ordinances shall be: "Be it enacted and ordained by the council of the City of Oak Hill:"

SEC. 20. EFFECT OF CHARTER ON EXISTING ORDINANCES AND ADMINISTRATIVI RULES AND REGULATIONS.

All existing ordinances and all existing administrative rules, regulations and practices, if not inconsistent or in conflict with this charter, shall continue in full force and effect until repealed or modified by the council or other competent authority of the city and, without limiting the generality of the foregoing, the ordinance relating to zoning of the city for business, building and other purposes as adopted on the 7th day of January, 1946, shall remain in full force and effect in all respects. All ordinances, rules, regulations and practices as are inconsistent or in conflict with this charter shall, unless sooner repealed or modified, continue in full force and effect for a period of sixty days only, and at the end of that period shall, to the extent of such inconsistency or conflict, be of no further force or effect.

SEC. 21. FISCAL YEAR.

The fiscal year of the city government shall begin on the first day of July and shall end on the last day of June of each calendar year. Such fiscal year shall also constitute the budget and accounting year.

SEC. 22. PREPARATION, SUBMISSION AND ADOPTION OF BUDGET.

The city manager shall, in accordance with the provisions of this charter and under such rules and regulations as the council may prescribe, at least thirty days prior to the beginning of each budget year, submit to the council a proposed budget and budget explanatory message in the form as desired by the council. A public hearing on the question of the adoption of the proposed budget shall be held by the council not later than fifteen days prior to the beginning of the budget year and the budget shall be adopted by the favorable vote of at least a majority of all the members of the council.

The budget shall be adopted not later than the twenty-seventh day of the last month of the fiscal year prior to the beginning of the new budget year. Should the council take

no final action on or prior to such day, the budget, as submitted, shall be deemed to have been adopted by the council and shall be in effect for the budget year, but the budget, as adopted, shall be subject to such revision by the council as may be appropriate for the laying of the levy for the ensuing year.

SEC. 23. BUDGET AS ESTABLISHING APPROPRIATIONS.

From the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several objects and purposes therein named.

SEC. 24. FOR WHAT PURPOSE FUNDS MAY BE EXPENDED.

The council or any other officer of the city expending funds thereof derived from the levying of taxes shall expend the funds only for the purposes for which they were raised.

SEC. 25. UNLAWFUL EXPENDITURES AND OBLIGATIONS.

The council shall not expend money or incur obligations, or authorize the expenditure of money or the incurring of any obligations:

(a) In an unauthorized manner;
(b) For an unauthorized purpose;
(c) In excess of the amount allocated to the fund in the levy order;
(d) In excess of the funds available for current expenses.

SEC. 26. WHEN INDEBTEDNESS, CONTRACTS OR DRAFTS ARE VOID.

Any indebtedness created, contract made, or order or draft issued in violation of Sections 24 and/or 25 of this Charter shall be void.

SEC. 27. RECOVERY OF UNLAWFUL EXPENDITURE; CANCELLATION OF UNLAWFUL OBLIGATION.

Whenever the council expends money or incurs obligations in violation of Sections 24 and/or 25 of this charter, suit shall be instituted in the name of the City in a court of competent jurisdiction to recover the money expended or to cancel the obligation, or both.

SEC. 28. PERSONAL LIABILITY OF OFFICER PARTICIPATING IN UNLAWFUL EXPENDITURE; RECOVERY OF UNLAWFUL EXPENDITURE FROM PARTICIPATING OFFICER.

Any officer of the City who in his official capacity participates in the violation of Sections 24 and/or 25 of this charter shall be personally liable, jointly and severally, for the amount illegally expended.

Any officer who in his official capacity wilfully participates in an illegal expenditure may be proceeded against in a civil action in any court of competent jurisdiction for the recovery of the amount illegally expended and such action may be brought by the City, a taxpayer thereof, the state tax commissioner or any person prejudiced thereby. All moneys recovered in such proceeding shall be paid into the treasury of the City and credited to the proper fund.

SEC. 29. CRIMINAL LIABILITY OF OFFICER VIOLATING PROVISIONS OF THIS CHARTER.

An officer who in his official capacity violates Sections 24 and/or 25 of this Charter shall be guilty of a misdemeanor and upon conviction shall be fined not more than five hundred dollars ($500.00) or confined in jail for a period not exceeding one year, or both. Upon conviction he shall also forfeit his office.

SEC. 30. PRESERVATION OF PRIOR TAXING POWERS.

The city shall have all the powers of taxation, other than property taxes, which are contained and were granted to its predecessor municipal corporation, and which are not in conflict with general law, as were contained in the charter of such prior corporation as contained and enacted in House Bill Number 71, Chapter 16 of the Acts of the Legislature of West Virginia, one thousand nine hundred twenty-five.

SEC. 31. EFFECTIVE DATE OF CHARTER.

For the purpose of nominating and electing members of the council, this charter shall be in effect from and after the date of its adoption by the voters of the city in the manner provided by law. For all other purposes it shall be in effect on and after the first day of July next following the first election under the provisions thereof.

SEC. 32. SEPARABILITY CLAUSE.

If any section or part of section of this charter shall be held invalid by a court of competent jurisdiction, such holding shall not affect the remainder of this charter nor the context in which such section or part of section so held invalid may appear, except to the extent that an entire section or part of section may be inseparably connected in meaning and effect with the section or part of section to which such holding shall directly apply.

ORDINANCE

AN ORDINANCE PROVIDING FOR CERTAIN AMENDMENTS TO THE CHARTER OF THE CITY OF OAK HILL, PROVIDING FOR THE ESTABLISHMENT OF A WARD SYSTEM; TERMINATION OF THE CONVENTION SYSTEM; DIRECT FILING BY CANDIDATES FOR COUNCIL AND MAYOR; DEFINING THE MAYOR'S POWER AND DUTIES; AND SETTING FORTH REQUIREMENTS AS TO FILING FOR OFFICE AND ELECTION; AND SETTING A SPECIAL ELECTION THEREON FOR OCTOBER, 19, 1977.

Whereas, petitions having been heretofore filed bearing the signatures of more than 15% of the qualified voters of the City of Oak Hill, pursuant to Chapter 8, Article 4, Section 7, of the Code of West Virginia, as amended, which petitions call for certain amendments to the charter of the City of Oak Hill; and

Whereas, said petitions appear to be sufficient in all respects to meet the statutory requirements and it being the duty of council to provide for such amendments by ordinance and to present the same to the voters of the City of Oak Hill for approval or rejection, now, therefore,

Be it enacted and ordained by the Council of the City of Oak Hill:

(1) That said Charter be amended to provide for wards by adding a new section, to be designated Sec. 5 (a), to read as follows:

"Sec. 5(a). CITY MAY BE DIVIDED INTO WARDS

Immediately upon the adoption of this provision, as provided by law, the Council of said city shall cause the city to be divided into five wards, having due regard to the density of the population of the territory embraced in each ward and the equalization of the population of the several wards. In all instances, where feasible, the boundary lines of the several wards shall be public ways. The division of the city into wards shall be completed not less than 180 days before the first municipal election held hereafter.

The boundaries of the wards may be changed from time to time by the council provided that no changes may be made in the boundaries of any ward within 90 days next preceding any municipal election.

It shall be the duty of the council to redistrict the city by ordinance with a period of six months after the official publication by the United States of the population of the city, as revealed in each official census, beginning with the census of 1990. Each ward shall be made to contain, as nearly as possible and consistent with the general laws, an equal number of residents. In addition, council may redistrict the city at more frequent intervals, as it may deem appropriate, based upon any other such more timely information as may become available."

(2) That the convention system for nomination of candidates for council be discontinued and that any qualified person be allowed to file directly as a candidate for Council or Mayor, on a non-partisan basis, by amending Section 8 of the Charter to read as follows:

"SEC. 8. CITY ELECTIONS

The regular city election shall be held on the first Tuesday in June, 1947, and on the first Tuesday in June of every fourth year thereafter. Special elections shall be called and held for lawful purposes at such times as may be fixed by the council, in accordance with the general laws of the state relative thereto. All elective city officials shall be chosen at regular city elections.

Any person qualified to serve may file as a candidate for member of council or the office of mayor by filing with the city clerk a certificate of candidacy, on a form to be provided by the city clerk, accompanied by payment of the prescribed filing fee, payable in lawful currency of the United States or by bank certified check,

provided same is done within the specified filing period. All candidacies so filed shall be on a non-partisan basis.

The filing period shall be from the first Tuesday in April to the first Tuesday in May, inclusive. All qualified persons who have properly filed within the period of filing shall appear on the ballot as a candidate for the office sought, in the order to be determined by lot and on a non-partisan basis. Drawings for ballot space shall be at a special meeting of council to be held within five days (Sundays excepted) following the expiration date of the filing period.

Each election shall be conducted under the supervision and direction of the council of the said city. The mode of voting shall be by ballot, but the voters shall be free to vote an open or secret ballot, as they may elect. The persons conducting said election shall, on the day the election is held and after the votes are duly tallied, deliver the ballots, tally sheets, and poll books to the city clerk for safe keeping, and thereafter the council of said city shall meet within five days (Sundays excepted) after said election and canvas the returns of said election and declare the results thereof, and in all respects comply with the requirements of the law relating to elections. Except as otherwise herein provided, the provisions of general law with respect to elections, so far as they may be applicable, shall govern the method of nominating and election the mayor and members of council whose terms of office shall be for a period of four years.

The candidate for councilman of a particular ward who received a plurality of the votes cast by voters of that ward shall be declared elected. Likewise, the candidate for mayor and the candidate for councilman-at-large receiving the highest number of votes cast by the voters in the city shall be declared elected.

When the city shall have been laid off into wards, each ward may contain a voting precinct if so designated by council. However, if only one voting precinct is designated for the city election, it must be at the city hall. There shall be no voting precinct established for any ward unless a voting precinct is designated for each ward.

The council shall fix a filing fee not to exceed ten percent of the yearly compensation for councilman and ten percent of the yearly compensation for mayor, which filing fee must be paid at the time the certificate of candidacy is filed.

Whenever two or more persons receive an equal number of votes for mayor or member of council, such tie shall be decided by the council in existence at the time the election is held.

All contested election issues shall be heard and determined by the council in existence at the time the election is held, and the contest shall be made and conducted in the manner provided for in contests for county and district offices, and the council, in their proceedings in such cases shall, as nearly as practicable, conform with like proceedings of the county commission in such cases."

(3) That the powers and duties of the Mayor be amended by adding a new section, to be designated Sec. 10 (a), to read as follows:

"SEC. 10 (a) POWERS AND DUTIES OF THE MAYOR

The Mayor shall preside at all meetings of the council; shall be recognized as head of the City government for all cermonial and military purposes; and shall be the proper officer to execute deeds, contracts (except such contracts as the council may authorize the city manager to execute) or similar formal documents for and on behalf of the city, but the mayor shall have no regular administrative duties.

On all matters coming before the council, the mayor shall not have the right to vote except in the case of a tie vote.

In the absence of the mayor, the council, by majority vote, shall select one of its members to preside at meetings of council and otherwise perform the mayor's duties during such absence."

(4) That requirements as to election and qualifications for Council and Mayor be made in keeping with the foregoing amendments by amending Section 6 of the Charter to read as follows:

"SEC. 6. THE COUNCIL AND MAYOR; QUALIFICATIONS; TERMS AND SALARIES; VACANCIES; POWER OF REMOVAL OF OFFICERS

The council shall consist of six members, five of who shall respectively represent each ward of the city and one of who shall be elected at large, together with the mayor. Members of the council and the mayor shall be elected by qualified voters of the city for terms of four years or until their successors have been elected to take office.

All members of council and the mayor must be citizens of the United States, qualified voters, and bona fide residents of the City and over the age of 18 years. All members of council representing a ward must be bona fide residents of the ward which they represent. The required residency must be maintained throughout the term of office. No member of council or the mayor shall hold during their term of office any other public office or position, including membership on any political executive committee.

If a vacancy occurs, from any cause whatsoever, in the office of councilman or mayor, council shall, by a majority vote of the remaining members, appoint a qualified person to fill the vacancy for the remainder of the unexpired term.

Before taking office, the mayor and all members of the council shall take the oath or affirmation required by Section 5, Article 4, of the Constitution of this state.

At the first regular meeting of the Council held in July following the regular city election, the newly elected councilmen shall first be inducted into office.

The salaries of the mayor and all members of the council shall be fixed by the council and be payable at such times and on such terms as it may by ordinance direct.

The council shall have and is hereby granted the power and authority to remove from office any officer, whether elected or appointive, for cause or upon written charges preferred by any responsible citizen of the City to the council; but to remove from office under this provision at least five of the members of the council must be present and at least four shall concur in such removal, and the officer against whom the charges are preferred shall be served with notice of the same, together with notice of the time of hearing, a reasonable time prior thereto, and shall likewise receive a copy of the charges preferred showing the nature thereof. He shall have the right to be represented before the council in person and by attorney and may require that all witnesses be sworn and testify under oath before the council and to have the testimony taken down. In the event of proceedings hereunder against any elective officer of the city no special election as to the question of the recall of such officer shall thereafter be held during the same term of office of that officer and in the event of such special election being held as to any elective officer no proceedings shall be had hereunder during the same term of office of that officer as to him, the remedies provided herein and by the recall

provisions of this charter being mutually exclusive and not cumulative."

And it is further ordered that due notice of this ordinance be given to the voters of the City of Oak Hill, West Virginia, by publication, as required by law, and that a special election be held within the City on Tuesday, the 18th day of October, 1977, at which the voters of said city shall approve or reject the proposed amendments.

Virginia Ford
City Clerk

CITY OF OAK HILL

OATH OF OFFICE

I, E. G. Larrick, Jr., being duly elected as Mayor, do hereby affirm that I will support the Constitution of the United States of America; and the Constitution of the State of West Virginia and support the Charter and the Code of the City of Oak Hill to the best of my ability, so help me God.

Given under my hand this the 7 day of July, 1987.

E. G. Larrick, Jr.

Witness:

Virginia Ison

Subscribed and sworn before me this 7 day of July, 1987.

My Commission expires 10-1-96

Sharon L. Rodes
Notary Public

Term of Office
7-1-87 to 6-30-91

CITY OF OAK HILL

OATH OF OFFICE

I, Barbara Hickman, being duly elected as Council-at-Large, do hereby affirm that I will support the Constitution of the United States of America; and the Constitution of the State of West Virginia and support the Charter and the Code of the City of Oak Hill to the best of my ability, so help me God.

Given under my hand this the 7th day of July, 1987.

Barbara Hickman

Witness:

Virginia Fox

Subscribed and sworn before me this 7 day of July, 1987.

My Commission expires 10-1-96

Sharon L Rodes
Notary Public

Term of Office
7-1-87 to 6-30-91

CITY OF OAK HILL

OATH OF OFFICE

I, Russell Matthew, being duly elected as Councilman from Ward V, do hereby affirm that I will support the Constitution of the United States of America; and the Constitution of the State of West Virginia and support the Charter and the Code of the City of Oak Hill to the best of my ability, so help me God.

Given under my hand this the 7th day of July, 1987.

Russell Matthew
Russell Matthew

Witness:

Virginia Fox

Subscribed and sworn before me this 7 day of July, 1987.

My Commission expires 10-1-96

Sharon L. Rodes
Notary Public

Term of Office
7-1-87 to 6-30-91

CITY OF OAK HILL

OATH OF OFFICE

I, E. J. "Jack" Wood, being duly elected as Councilman from Ward IV, do hereby affirm that I will support the Constitution of the United States of America; and the Constitution of the State of West Virginia and support the Charter and the Code of the City of Oak Hill to the best of my ability, so help me God.

Given under my hand this the 7th day of July, 19 87.

E. J. "Jack" Wood
E.J. "Jack" Wood

Witness:

Virginia Jones

Subscribed and sworn before me this 7 day of July, 19 87.

My Commission expires 10-1-96

Sharon L. Rodes
Notary Public

Term of Office
7-1-87 to 6-30-91

CITY OF OAK HILL

OATH OF OFFICE

I, Johnnie Ferri, being duly elected as Councilman from Ward III, do hereby affirm that I will support the Constitution of the United States of America; and the Constitution of the State of West Virginia and support the Charter and the Code of the City of Oak Hill to the best of my ability, so help me God.

Given under my hand this the 4th day of August, 1987.

Johnnie Ferri
Johnnie Ferri

Witness:

Virginia Ford

Subscribed and sworn before me this 4th day of August, 1987.

My Commission expires January 22, 1995

Term of Office
7-1-87 to 6-30-91

Virginia Ford
Notary Public

CITY OF OAK HILL

OATH OF OFFICE

I, Carl Riner, being duly elected as Councilman from Ward II, do hereby affirm that I will support the Constitution of the United States of America; and the Constitution of the State of West Virginia and support the Charter and the Code of the City of Oak Hill to the best of my ability, so help me God.

Given under my hand this the 7th day of July, 1987.

Carl Riner

Carl Riner

Witness:

Virginia Fry

Subscribed and sworn before me this 7 day of July, 1987.

My Commission expires 10-1-86

Sharon L. Rodes

Notary Public

Term of Office
7-1-87 to 6-30-91

CITY OF OAK HILL

OATH OF OFFICE

I, Larry Harding, being duly elected as Councilman from Ward I, do hereby affirm that I will support the Constitution of the United States of America; and the Constitution of the State of West Virginia and support the Charter and the Code of the City of Oak Hill to the best of my ability, so help me God.

Given under my hand this the 7 day of July, 1987.

Larry E Harding
Larry Harding

Witness:

Virginia Fay

Subscribed and sworn before me this 7 day of July, 1987.

My Commission expires 10-1-96

Sharon L. Rodes
Notary Public

Term of Office
7-1-87 to 6-30-91

ALL-STATE LEGAL SUPPLY CO., ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED 11-1C

M- I- N- U- T- E- S

MONDAY EVENING JUNE 2nd. 1947.

The regular meeting of the Council of the City of Oak Hill, was held in the City Hall, Monday evening, June 2nd. 1947, at 7:30.

The following members were present:

C. R. Hill, Mayor.
E. N. Goode, Recorder.

Tracy Moses
R. R. Thomas
R. C. Woods
H. A. Berry
Geo. Blizzard, members of the Council.

The minutes of the previous meetings, were read, approved and signed.

Mr. Howard Amole appeared before the Council asking for permit to build temporary building, 12' X 22', on lot of R. C. Hurt, at same location of Sam's Taxi Stand, same to house Freezer Unit.

Upon motion of R. C. Woods and seconded by H. A. Berry, which motion was carried, the permit was granted, the building committee to locate site of building.

Recorder was instructed to contact the West Virginia Water Service Company, relative to installing new Fire Plugs.

Upon motion duly made, seconded and carried, read petitions now on file be deferred until some later date.

No further business, the Council adjourned to meet June 3rd. 1947, at 3 o'clock, for the transaction of any and all business that might come before it.

RECORDER. _____ MAYOR.

M I N U T E S

TUESDAY AFTERNOON JUNE 3, 1947.

Minutes of an adjourned meeting of the Council of the City of Oak Hill, West Virginia, held at the usual place at 3 P.M. on Tuesday, June 3, 1947. The Council was called to order with Mayor C. R. Hill presiding and the following duly elected and acting members of Council present:

R. E. Kelly
R. C. Woods
Tracy O. Moses
George Blizzard
R. R. Thomas
H. A. Berry

constituting all members of Council.
Also present, E. N. Goode, City Recorder.

Councilman R. E. Kelly presented an ordinance creating a Sanitar
Board for the custody, supervision, control, administration, operati
and maintanence of the sewage system of the City of Oak Hill, as per-
mitted and provided by Article 13 of Chapter 16 of the West Virginia
Code of 1943, said Board to be composed of Mayor C. R. Hill, J. E. Sett
a registered professional engineer, and S. C. Higgins, Jr., a residen
of Oak Hill.

The ordinance was read and its adoption moved by Councilman Kell
Councilman George Blizzard seconded the motion. On roll call the foll
ing voted in the affirmative:

R. E. Kelly — R. C. Woods
Tracy O. Moses — George Blizzard
R. R. Thomas — H. A. Berry

Nay: None.

The Mayor thereupon declared the ordinance duly passed and appro

— AN ORDINANCE providing for a sanitary board of the City of Oak Hill, West Virginia.

WHEREAS preliminary investigations have heretofore been taken fo
certain necessary extensions to the sewer system of the City of Oak Hi
West Virginia and for repairs to the general sewer system, under the
provisions of Article 13 of Chapter 16 of the West Virginia Code of
1943, and it is providedby said enabling law that a sanitary board sha
be created for the custody, supervision, control, administration, oper
ation and maintenance of said systems;

NOW, THEREFORE, Be It Ordained by the Council of the City of Oak
Hill, West Virginia, as follows:

Section 1. That there shall be and there is hereby created in
and for the City of Oak Hill, West Virginia, a sanitary board for the
custody, supervision, control, administration, operation and mainten-
ance of the sewage system, all as permitted by Article 13 of Chaper 16
of the West Virginia Code of 1943, and said sanitary board shall be
composed of the Mayor of said City and two persons, one of whom is a
registered professional engineer, namely, J. E. Settle, for a term of
two years, and S. C. Higgins, Jr. for a term of three years.

Section 2. That the Mayor of said City shall act as Chairman of
said sanitary board, and that upon organization said board shall elect
a vice chairman and also designate a secretary and treasurer(who may be
separate persons or one and the same), and the Council of said City
hereby reserves the right and privilege from time to time by ordinance
to fix the compensation of the members of said board and the secretary
and treasurer thereof, and also to require and fix the amount of bonds
which any or all of said officials may be required to furnish.

SECTION 3. That this ordinance be in full force and effect
immediately upon its adoption.

Passed and approved June 3, 1947.

RECORDER.

MAYOR.

ALL-STATE LEGAL SUPPLY CO., ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED 11-1C

PETITION

The Sanitary Board of the City of Oak Hill hereby petitions the City Council of the City of Oak Hill to enact an ordinance directing that revenue bonds and (if deemed necessary by City Council) interim construction notes of the municipality be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code, such bonds to be in an amount not to exceed $4,000,000 and such notes to be in an amount not to exceed $7,000,000 for the purpose of acquisition and construction of sewerage system improvements.

Directed this 2nd day of August, 1988.

SANITARY BOARD OF THE CITY OF OAK HILL

By _____
Chairman - Oak Hill Sanitary Board

08/22/88
OHSB1-B

The Fayette Tribune

ESTABLISHED IN 1897

417 MAIN STREET
OAK HILL, WEST VIRGINIA 25901
TELEPHONE: 469-3373

CERTIFICATE OF PUBLICATION Fee for Publication $ 70.88

I, Tom James, publisher of ***The Fayette Tribune,*** a semi-weekly newspaper, published in the City of Oak Hill, County of Fayette, State of West Virginia do hereby declare that the herewith attached, was published in said newspaper in its issues dated the 11th and 18th day of August 1988

(Signed) Tom James

Tom James
Publisher

SIGNED AND SWORN TO and before me this 23rd day of August, 1988

(Signed) Melissa E. Smith

Notary Public

My Commission Expires October 7, 1997

CITY OF OAK HILL
NOTICE OF PUBLIC HEARING ON SEWERAGE SYSTEM REVENUE BOND AND NOTES ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Council of the City of Oak Hill to be held on August 23, 1988, at 7:30 p.m. in the Council chambers at the Oak Hill City Hall, and at such hearing all objections and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises upon an Ordinance entitled:

Ordinance authorizing the acquisition and construction of public sewerage facilities of the City of Oak Hill and the financing of the cost, not otherwise provided, thereof through the issuance by the City of not more than $3,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 1988 A., not more than $1,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 1988 B, and not more than $7,000,000 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 sale and providing for the terms and provisions of such bonds and notes and adopting other provisions relating thereto.

The above-entitled Ordinance was adopted by the Council of the City of Oak Hill on August 9, 1988.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond and Note issues contemplated thereby. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of acquisition and construction of additions, betterments and improvements for the existing sewerage facilities of the City of Oak Hill (the "Project"). The proceeds of the Notes will be used to provide temporary financing of a portion of such costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the municipal sewerage system of the City. The Notes are payable primarily from bond proceeds or proceeds of EPA Grant Receipts. No taxes may at any time be levied for the payment of the Bonds or the Notes or the interest thereon.

A certified copy of the above-entitled Ordinance is on file at the office of the City Clerk of the City of Oak Hill for review by interested parties during regular office hours.

Following said public hearing, the City Council intends to enact said Ordinance upon final reading.

Dated: August 11, 1988.

s/s Virginia Fox
City Clerk

08/03/88
OHSB1-A
Legal No. 432
August 11, 18

AN ORDINANCE TO AMEND PART 9, CHAPTER 3, ARTICLE 15, SECTION 1, OF THE CODE OF THE CITY OF OAK HILL

Be it enacted and ordained by the Council of the City of Oak Hill that Part 9, Chapter 3, Article 15, Section 1 of the Code of the City of Oak Hill be amended and reenacted to provide as follows:

1. Sewer Charges. There is established a schedule of just and equitable rates or charges for the use of and service rendered by the municipal sewer system of the City, which shall be paid by the owner of each and every lot, parcel of real estate or building connected with, served by, or using such sewer system, as follows:

The rates and charges shall be based insofar as possible upon the quantity of water supplied each month to the respective premises. Based upon the water meter readings, there shall be charged monthly to the owners of each lot or parcel of real estate for the services of the sewer system the following rates:

(1) Effective January 1, 1984:

2000 gallons or less - $4.50

All over 2000 gallons - $1.25 per 1000 gallons

The charge of $4.50 shall be the minimum for each month or fraction thereof.

(2) Effective January 1, 1985:

2500 gallons or less - $7.00

All over 2500 gallons - $2.50 per 1000 gallons

The charge of $7.00 shall be the minimum for each month or fraction thereof.

(3) Effective January 1, 1986:

3000 gallons or less - $9.75

All over 3000 gallons - $3.25 per 1000 gallons

The charge of $9.75 shall be the minimum for each month or fraction thereof.

If, for any reason, there be no record of the amount of water supplied in any month, then the charge shall be based upon the last available monthly meter reading.

Rates for special industrial sewage connections will be fixed by the Sanitary Board of the City in the event the foregoing rates shall be deemed to be inequitable in any case. All bills shall be rendered monthly and shall be due when mailed to the last known address of the party owning or controlling property served.

The above sewer rate increase shall become effective January 1, 1984.

After being duly advertised in the local newspaper, and read for the second reading on November 10, 1983, upon motion by Councilman Epperly, duly seconded by Councilman Ferri to adopt this Ordinance. Motion approved.

Virginia Fox

Virginia Fox-City Clerk Treasurer
City of Oak Hill

NOTICE

TO: The Citizens of the City of Oak Hill, Ohio:

You will please take notice that the following ordinance was read for the first time before the Council of the City of Oak Hill on November 1, 1983, at the City Hall at regular meeting assembled, to-wit:

"AN ORDINANCE TO AMEND PART 9, CHAPTER 3, ARTICLE 15, SECTION 1, OF THE CODE OF THE CITY OF OAK HILL.

Be it enacted and ordained by the Council of the City of Oak Hill that Part 9, Chapter 3, Article 15, Section 1 of the Code of the City of Oak Hill be amended and reenacted to provide as follows:

1. Sewer Charges. There is established a schedule of just and equitable rates or charges for the use of and service rendered by the municipal sewer system of the City, which shall be paid by the owner of each and every lot, parcel of real estate or building connected with, served by, or using such sewer system, as follows:

The rates and charges shall be based insofar as possible upon the quantity of water supplied each month to the respective premises. Based upon the water meter readings, there shall be charged monthly to the owners of each lot or parcel of real estate for the services of the sewer system the following rates:

1] Effective January 1, 1984:

2000 gallons or less - $4.50.

All over 2000 gallons - $1.25 per 1000 gallons.

The charge of $4.50 shall be the minimum for each month or fraction thereof.

2] Effective January 1, 1985:

2,500 gallons or less - $7.00.

All over 2,500 gallons - $2.50 per 1000 gallons.

The charge of $7.00 shall be the minimum for each month or fraction thereof.

3] Effective January 1, 1986:

3000 gallons or less - $9.75.

All over 3000 gallons - $3.25 per 1000 gallons.

The charge of $9.75 shall be the minimum for each month or fraction thereof.

If, for any reason, there be no record of the amount of water supplied in any month, then the charge shall be based upon the last available monthly meter reading.

Rates for special industrial sewage connections will be fixed by the Sanitary Board of the City in the event the foregoing rates shall be deemed to be inequitable in any case. All bills shall be rendered monthly and shall be due when mailed to the last known address of the party owning or controlling property served."

The foregoing ordinance will come before said Council for second reading on the 10th day of November, 1983, at a special meeting to be held at the Council Chamber of the City Hall Oak Hill, Fayette County, Ohio at Virginia beginning at 7:30 p.m., at which time and place any objections thereto will be heard and considered, and at which time the ordinance will be considered for final adoption or rejection.

By order of the Council of the City of Oak Hill.

Virginia Fox
City Clerk

Pat R. Hamilton
City Attorney
Legal No. 639

The Fayette Tribune

FAYETTE COUNTY'S OLDEST NEWSPAPER

417 MAIN STREET
OAK HILL, WEST VIRGINIA 25901
TELEPHONE: 465-5575

CERTIFICATE OF PUBLICATION Fee for Publication $ 45.90

I, Larry E. Holliday, publisher of The Fayette Tribune, Inc., a semi-weekly newspaper, published in the City of Oak Hill, County of Fayette, State of West Virginia do hereby declare that the Legal Notice herewith attached, was published in said newspaper in its issues dated the 3rd day of November 1983.

(Signed) Larry E. Holliday

Larry E. Holliday
Publisher

SIGNED AND SWORN TO and before me this 14th day of November 1983.

(Signed) [illegible]
Notary Public

My commission expires

Dec. 23, 1991

ALL STATE LEGAL SUPPLY CO., ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

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

CHARLESTON OFFICE
715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25326
(304) 342-2191
TELECOPIER (304) 342-0726

CHARLES W. YEAGER
CARL F. STUCKY, JR.
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
OTIS L. O'CONNOR
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES R. WATSON
JAMES D. GRAY
VINCENT A. COLLINS
JAMES A. RUSSELL
FRANK E. SIMMERMAN, JR.
WILLIAM T. BELCHER
MICHAEL L. BRAY
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
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
WILLIAM E. GALEOTA
GORDON H. COPLAND

RANDALL C. LIGHT
CHRISTOPHER P. BASTIEN
STEVEN P. McGOWAN
RICHARD M. YURKO, JR.
GARY W. NICKERSON
W. RANDOLF FIFE, JR.
MARTIN P. SMITH, JR.
LOUIS E. ENDERLE
ROBERT J. SCHIAVONI
JOSEPH R. FERRETTI
MARK E. KINLEY
EDWARD R. KOHOUT
MARCIA J. POLLARD

OF COUNSEL
ROBERT W. LAWSON, JR.
RALPH BOHANNON
ERNEST C. SWIGER

WRITER'S DIRECT DIAL NUMBER

August 26, 1988

City of Oak Hill
Sewer Revenue Bonds, Series 1988

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 bond issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

Vincent A. Collins

Enclosure
Copy of letter with enclosure to:
Taunja Willis Miller, Esquire
Ralph C. Young, Esquire

08/22/88
OHSB1-U

Form **8038-G**
(December 1986)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Bond Issues

► Under Section 149(e)
(Use Form 8038-GC if issue price is under $100,000.)

OMB No. 1545-0720
Expires 12-31-89

Part I Reporting Authority — Check box if Amended Return ►

1 Issuer's name: CITY OF OAK HILL
2 Issuer's employer identification number: 69-0550283
3 Number and street: P. O. Box 1245
4 Report number: G198 8 - 1
5 City or town, state, and ZIP code: Oak Hill, West Virginia 25901
6 Date of issue: August 25, 1988

Part II Type of Issue (check box(es) that applies)

		Issue Price
7	☐ Check box if bonds are tax or other revenue anticipation bonds ►	
8	☐ Check box if bonds are in the form of a lease or installment sale ►	
9	☐ Education	
10	☐ Health and hospital	
11	☐ Transportation	
12	☐ Public safety	
13	☒ Environment (including sewage bonds) Sewer Revenue Bonds, Series 1988A	$1,764,285
14	☐ Housing	
15	☐ Utilities	
16	☐ Other. Describe (see instructions) ►	

Part III Description of Bonds

	(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
17 Final maturity	10-1-28	9.0%	150,920	150,920			
18 Entire issue			1,764,285	1,764,285	*29.4 years	9.0%	9.0%

Part IV Uses of Original Proceeds of Issue (including underwriters' discount)

19	Proceeds used for accrued interest	-0-
20	Proceeds used for bond issuance costs (including underwriters' discount)	15,000
21	Proceeds used for credit enhancement	-0-
22	Proceeds allocated to reasonably required reserve or replacement fund	164,503
23	Proceeds used to refund prior issues	-0-
24	Nonrefunding proceeds of the issue (subtract lines 20, 21, 22, and 23 from line 18, column (c))	1,584,782

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

25 Enter the remaining weighted average maturity of the bonds to be refunded ► _____ years
26 Enter the last date on which the refunded bonds will be called ► _____
27 Enter the date(s) the refunded bonds were issued ► _____

Part VI Miscellaneous

28 Enter the amount (if any) of the state volume cap allocated to this issue ► _____
29 Arbitrage rebate:
a ☐ Check box if the small governmental unit exception to the arbitrage rebate requirement applies
b ☐ Check box if the 6-month temporary investment exception to the arbitrage rebate requirement is expected to apply
c ☐ Check box if you expect to earn and rebate arbitrage profits to the U.S.
30 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(ii) ► _____
31 Pooled financings:
a ☐ Check box if any of the proceeds of this issue are to be used to make loans to other governmental units ► and enter the amount ► _____
b ☒ Check box if this issue is a loan made from the proceeds of another tax-exempt issue ► and enter the name of the issuer ► West Virginia Water Development Authority and the date of the issue ► April 28, 1988

Please Sign Here

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

Signature of officer — Date: August 25, 1988 — Title: Mayor

For Paperwork Reduction Act Notice, see page 1 of the Instructions.

Form **8038-G** (12-86)

*Equal amortized payments for period of 38 years; first two years interest only.

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: August 25, 1988

(See Reverse for Instructions)

ISSUE: CITY OF OAK HILL Sewer Revenue Bonds, Series 1988A

ADDRESS: P. O. Box 1245, Oak Hill, WV 25901 COUNTY: Fayette

PURPOSE OF ISSUE: New Money X / Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: August 25, 1988 CLOSING DATE: August 25, 1988

ISSUE AMOUNT: $ 1,764,285 RATE: 9.0%

1st DEBT SERVICE DUE: October 1, 1988 1st PRINCIPAL DUE: October 1, 1990

1st DEBT SERVICE AMOUNT: ~~$16,319.64~~ 15,878.57 PAYING AGENT: MBC

ISSUERS

BOND COUNSEL: Steptoe & Johnson

Contact Person: Vincent A. Collins, Esq.

Phone: 624-8161

CLOSING BANK: Merchants & Miners Bank

Contact Person: C. R. "Bud" Hill

Phone: 465-1100

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Thomas Oxley

Position: Project Manager

Phone: 469-9541

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly

Contact Person: Taunja Willis Miller, Esq.

Phone: 340-1317

ESCROW TRUSTEE: ____

Contact Person: ____

Phone: ____

OTHER: ____

Contact Person: ____

Function: ____

Phone: ____

DEPOSITS TO MBC AT CLOSE:

By ____ Wire
__x__ Check

____ Accrued Interest: $ ____
____ Capitalized Interest: $ ____
__X__ Reserve Account: $ 164,503
____ Other: ____ $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $ ____
____ To Issuer: $ ____
____ To Cons. Invest. Fund: $ ____
____ To Other: ____ $ ____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: ____

TRANSFERS REQUIRED: ____

27A

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: August 25, 1988

(See Reverse for Instructions)

ISSUE: CITY OF OAK HILL Sewer Revenue Bonds, Series 1988B

ADDRESS: P. O. Box 1245, Oak Hill, WV 25901 COUNTY: Fayette

PURPOSE OF ISSUE: New Money X / Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: August 25, 1988 CLOSING DATE: August 25, 1988

ISSUE AMOUNT: $ 441,071 RATE: 0%

1st DEBT SERVICE DUE: October 1, 1990 1st PRINCIPAL DUE: October 1, 1990

1st DEBT SERVICE AMOUNT: $11,310 PAYING AGENT: MBC

ISSUERS

BOND COUNSEL: Steptoe & Johnson

Contact Person: Vincent A. Collins, Esq.

Phone: 624-8161

CLOSING BANK: Merchants & Miners Bank

Contact Person: C. R. "Bud" Hill

Phone: 465-1100

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Thomas Oxley

Position: Project Manager

Phone: 469-9541

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly

Contact Person: Taunja Willis Miller, Esq.

Phone: 340-1317

ESCROW TRUSTEE: ____

Contact Person: ____

Phone: ____

OTHER: ____

Contact Person: ____

Function: ____

Phone: ____

DEPOSITS TO MBC AT CLOSE:

By ____ Wire
X Check

____ Accrued Interest: $ ____
____ Capitalized Interest: $ ____
X Reserve Account: $ 11,310
____ Other: ____ $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $ ____
____ To Issuer: $ ____
____ To Cons. Invest. Fund: $ ____
____ To Other: ____ $ ____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: ____

TRANSFERS REQUIRED: ____

27B

ALL-STATE LEGAL SUPPLY CO., ONE COMMERCE DRIVE CRANFORD, NEW JERSEY 07016

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

1. ASSISTANCE ID NO.	2. LOG NUMBER
C-540381-02-0	Three-C
3. DATE OF AWARD	**4. MAILING DATE**
SEP 28 1987	OCT 5 1987

5. AGREEMENT TYPE		6. PAYMENT METHOD	7. TYPE OF ACTION
Cooperative Agreement		☐ Advance ☒ Reimbursement ☐ Letter of Credit	
Grant Agreement	X	Send Payment Request To: Grants Management Branch	Continuation
Assistance Amendment			

8. RECIPIENT	9. PAYEE
Oak Hill Sanitary Board P.O. Drawer A Oak Hill, West Virginia 25901	Oak Hill Sanitary Board P.O. Drawer A Oak Hill, West Virginia 25901

EIN NO.	CONGRESSIONAL DISTRICT	10. RECIPIENT TYPE
	2nd	Town

11. PROJECT MANAGER AND TELEPHONE NO.	12. CONSULTANT (*WWT Construction Grants Only*)
E. G. Larrick Jr., Chairman (304) 469-9541	Pentree, Incorporated 1428 Main Street, P.O. Box 1309 Princeton, West Virginia 24740 (304) 425-9581

13. ISSUING OFFICE (*City/State*)	14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.
Philadelphia, Pennsylvania	R. Fenton Roudabush, Chief Virginia-West Virginia Section (215) 597-9131

15. EPA CONGRESSIONAL LIAISON & TEL. NO.	16. STATE APPL ID (*Clearinghouse*)	17. FIELD OF SCIENCE	18. PROJECT STEP (*WWT CG Only*)
Patricia Gaskins (202)382-5184		N/A	II/III

19. STATUTORY AUTHORITY	20. REGULATORY AUTHORITY	21. STEP 2 + 3 & STEP 3 (*WWT Construction Only*)	
Clean Water Act, Title II	40 CFR Parts 30 & 35	a. Treatment Level	3
		b. Project Type	NEW
		c. Treatment Process	2
		d. Sludge Design	5

22. PROJECT TITLE AND DESCRIPTION Construction of Innovative Sewage Treatment Plant and Interceptor work. 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	County	State	Congressional District
Oak Hill	Fayette	WV	2nd

24. ASSISTANCE PROGRAM (*CFDA Program No. & Title*)	25. PROJECT PERIOD	26. BUDGET PERIOD
66.418	09/87 - 08/92	N/A

27. COMMUNITY POPULATION (*WWT CG Only*)	28. TOTAL BUDGET PERIOD COST	29. TOTAL PROJECT PERIOD COST
11,000	N/A	9,217,500

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
30. EPA Amount This Action		6,426,160	
31. EPA In-Kind Amount			
32. Unexpended Prior Year Balance			
33. Other Federal Funds			
34. Recipient Contribution			
35. State Contribution			
36. Local Contribution			
37. Other Contribution			
38. Allowable Project Cost		9,217,500	

Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deobligation Amount
GRAW80	86-C	68X0103.J	W86C20	NGRAO36006	41.11	$4,536,318
GHSW80	76-R	68X0103.7	W76C01	NGHSO36006	41.11	101,651
GHQW80	78-R	68X0103.A	W78C01	NGHQO36006	41.11	431,651
GSCW80	87	68X0103.K	WI8701	7GSCO36006	41.11	1,356,540

28A

PART II–APPROVED BUDGET

ASSISTANCE IDENTIFICATION NO. C-540381-02

TABLE A – (ECT 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%	Innovative 20%
1. ADMINISTRATION EXPENSE		
2. PRELIMINARY EXPENSE	57,500	42,308
3. LAND STRUCTURES, RIGHT-OF-WAY		
4. ARCHITECTURAL ENGINEERING BASIC FEES	499,449	367,495
5. OTHER ARCHITECTURAL ENGINEERING FEES	75,860	55,818
6. PROJECT INSPECTION FEES	414,128	304,715
7. LAND DEVELOPMENT		
8. RELOCATION EXPENSES		
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES		
10. DEMOLITION AND REMOVAL		
11. CONSTRUCTION AND PROJECT IMPROVEMENT		
12. ~~XXXXXXXX~~ Legal & Fiscal	7,079,775	5,209,700
13. ~~XXXXXXXXXX~~ Design Allowance	21,000	15,451
14. TOTAL *(Lines 1 thru 13)*	361,833	266,237
15. ESTIMATED INCOME *(If applicable)*		
16. NET PROJECT AMOUNT *(Line 14 minus 15)*		
17. LESS: INELIGIBLE EXCLUSIONS		
18. ADD: CONTINGENCIES		
19. TOTAL *(Share: Recipient* 30.3 *%. Federal* 69.7 *%)*	707,955	520,976
20. TOTAL APPROVED ASSISTANCE AMOUNT Combined (6,426,160)	9,217,500 $ 5,069,620	6,782,700 1,356,540

EPA Form 5700-20A (Rev. 5-82)

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.

(c) The grantee may submit requests for payment for allowable costs incurred in accordance with the following schedule:

Payment No.	Date	Payment	Cumulative Amount (not to be exceeded)
1	01/88	180,910	180,910
2	04/88	175,000	355,910
3	05/88	175,000	530,910
4	06/88	175,000	705,910
5	07/88	175,000	880,910
6	08/88	175,000	1,055,910
7	09/88	175,000	1,230,910
8	10/88	175,000	1,405,910
9	11/88	175,000	1,580,910
10	12/88	175,000	1,755,910
11	01/89	175,000	1,930,910
12	02/89	175,000	2,105,910
13	03/89	175,000	2,280,910
14	04/89	175,000	2,455,910
15	06/89	4,000	2,459,910
16	09/89	175,000	2,634,910
17	10/89	175,000	2,809,910
18	11/89	175,000	2,984,910
19	12/89	175,000	3,159,910
20	01/90	175,000	3,334,910
21	02/90	175,000	3,509,910
22	03/90	175,000	3,684,910
23	05/90	4,000	3,688,910
24	07/90	175,000	3,863,910
25	08/90	175,000	4,038,910
26	09/90	175,000	4,213,910
27	10/90	175,000	4,388,910

continued....

Payment No.	Date	Payment	Cumulative Amount (not to be exceeded)
28	11/90	175,000	4,563,910
29	12/90	175,000	4,738,910
30	01/91	175,000	4,913,910
31	02/91	175,000	5,088,910
32	03/91	175,000	5,263,910
33	04/91	175,000	5,438,910
34	05/91	175,000	5,613,910
35	06/91	161,400	5,775,310
36	07/91	642,580	6,417,890
37	03/92	4,000	6,421,890
38	07/92	4,270	6,426,160

The grantee agrees to submit quarterly updates to this schedule to the State/EPA. Approvals of those updates will be offered by letter from the State/EPA.

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".

	Date		
	1&2	3	4
Plans and Specifications approval	12/87	06/89	05/90
Bid Advertisement	01/88	07/89	05/90
Construction Contract Award	04/88	09/89	07/90
Construction Start (NTP)	04/88	09/89	07/90

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.

	1&2	3	4
Final Plan of Operation Approval	02/89	01/90	06/91
Operation and Maintenance Manual Approval	02/89	01/90	06/91

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	07/89
User Charge System Implementation	07/89

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	08/91
Preliminary Final Payment Request	09/91

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.

	1&2	3	4
Initiation of Operation	04/89	07/91	07/91
Project Performance Certification	04/90	07/92	07/92
Final Payment Request	07/92	07/92	07/92

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 user charge system (40 CFR 35.2140);

Final design drawings and specifications (40 CFR 35.2040 (b)(5));

A draft plan of operation (40 CFR 35.2106).

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.)

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).

b. SPECIAL CONDITIONS *(Continued)*

PART IV

NOTE: The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers assistance ~~/amendment~~ to the Oak Hill Sanitary Board (RECIPIENT ORGANIZATION) for 69.7 % of all approved costs incurred up to and not exceeding $ 6,426,160 (ASSISTANCE AMOUNT) for the support of approved budget period effort described in application *(including all application modifications)* C-540381-02 Oak Hill Sanitary Board (DATE AND TITLE) 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 (3WM00) 841 Chestnut Building Philadelphia, Pennsylvania 19107

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
[signature]	James M. Seif, Regional Administrator	SEP 28 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	DATE

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

ARCH A. MOORE, JR.
Governor

RONALD R. POTESTA
Director

ROBERT K. PARSONS
Deputy Director

August 22, 1988

Mr. E. G. Larrick, Jr., Chairman
Oak Hill Sanitary Board
P. O. Drawer A
Oak Hill, West Virginia 25901

RE: Oak Hill Sanitary Board
C-540381-02

Dear Mr. Larrick:

You are hereby advised that the bidding procedures for Contracts 1, 2 and 3 have been reviewed and approved. The contracts may now be awarded to the low, responsive bidders, Coleman Trainor & Company, Incorporated and Taylor and Striegel, Incorporated, as indicated by the proposal you have submitted.

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

The Part B documents that you submitted are being reviewed by this office. The official approval letter and the grant amendment are currently being processed and will be forwarded under separate cover.

Should you have any questions, please contact Rosalie Ortega or Paul Frantz at (304) 348-0637.

Sincerely,

CONSTRUCTION GRANTS BRANCH

Mike Johnson

Mike Johnson, P. E.
Branch Head

MJ/jra

cc: R. Fenton Roudabush, EPA
Edgar Henry, WDA
Howard Cunningham, PSC
Pentree, Incorporated

28B

ARCH A. MOORE, JR.
Governor

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

RONALD R. POTESTA
Director

ROBERT K. PARSONS
Deputy Director

RECEIVED
AUG 16 1988
WATER DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Edgar N. Henry, Director
Water Development Authority

FROM: Mike Johnson, Branch Head
Construction Grants Branch

DATE: August 16, 1988

SUBJECT: Oak Hill Sanitary Board

We understand you need a breakout of the Oak Hill Sanitary Board costs so you may close their loan next week. The following approved costs are for the Oak Hill Sanitary Board Part I Phase.

	TOTAL	BASIC (55%)	INNOVATIVE (20%)
Administration	53,935	53,849	23,042
Legal & Fiscal	10,434	10,417	4,457
Technical Services	538,075	537,214	229,874
Construction	3,657,248	3,657,248	1,564,920
Equipment	60,000	59,904	-0-
Design Allowance	202,549	202,549	86,671
Contingency	184,859	184,819	79,036
	$4,707,100	$4,706,000	$1,988,000
EPA Grant Levels =		$2,588,300	$ 397,600
Total EPA Grant =		$2,985,900	

Should you have any questions, please let me or Rosalie know.

MJ/jra

cc: Oak Hill Sanitary Board

28C

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

ARCH A. MOORE, JR.
Governor

RONALD R. POTESTA
Director

ROBERT K. PARSONS
Deputy Director

August 22, 1988

Mrs. Catherine A. Mastropieri, Chief
Grants Management Branch
Environmental Protection Agency
Region III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

RE: Oak Hill Sanitary Board
C-540381-02

Dear Mrs. Mastropieri:

Transmitted are the Part B documents for Contracts 1, 2 and 3 of the referenced project. The State approves the bidding procedures and the request for grant decrease in the amount of $421,280 reflecting a revised federal grant of $6,004,880 which includes $4,975,740 in conventional funds and $1,029,140 in innovative funds. The total eligible project cost is now $9,046,800.

Should you have any questions, please contact Rosalie Ortega of my staff at (304) 348-0637.

Sincerely,

CONSTRUCTION GRANTS BRANCH

Mike Johnson

Mike Johnson, P. E.
Branch Head

MJ/jra

Enclosures

cc: Oak Hill Sanitary Board
Pentree, Inc.
Edgar Henry, WDA

280

ALL-STATE LEGAL SUPPLY CO., ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A and Series 1988 B

ACCEPTANCE OF DUTIES OF REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Oak Hill Sewer Revenue Bonds, Series 1988 A and Series 1988 B, all dated August 25, 1988, in the aggregate principal amount of $2,205,356 (collectively "the Bonds") and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Local Act authorizing issuance of the Bonds.

Dated this 25th day of August, 1988.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte L Morgan
Its Trust Administrative Officer

08/22/88
OHSB3-B

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A and Series 1988 B

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

MERCHANTS & MINERS NATIONAL BANK, a national banking association, with principal office in Oak Hill, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Oak Hill, enacted August 23, 1988, authorizing issuance of the City's Sewer Revenue Bonds, Series 1988 A and Series 1988 B, both dated August 25, 1988, in the aggregate principal amount of $2,205,356 (collectively, the "Bonds") and agrees to perform all duties of Depository Bank in connection with such Bonds, all as set forth in said Ordinance.

Dated this 25th day of August, 1988.

MERCHANTS & MINERS NATIONAL BANK

By _____
Its President

08/23/88
OHSB3-C

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE CRANFORD NJ 07016

ED 11-2C

CITY OF OAK HILL

Sewer Revenue Bonds,
Series 1988 A and Series 1988 B

CERTIFICATE OF REGISTRATION OF BONDS

I, Charlotte S. Morgan, Trust Administrative Officer of One Valley Bank, National Association, as Registrar under the Local Act and Registrar's Agreement providing for the $2,205,356 aggregate principal amount of Sewer Revenue Bonds, Series 1988 A and Series 1988 B, of the City of Oak Hill (the "Issuer"), hereby certify that on the 25th day of August, 1988, the single fully registered Series 1988 A Bond of the Issuer in the principal amount of $1,764,285 designated "Sewer Revenue Bond, Series 1988 A," numbered AR-1, and the single fully registered Series 1988 B Bond of the Issuer in the principal amount of $441,071 designated "Sewer Revenue Bond, Series 1988 B," numbered BR-1, were registered as to principal and interest (the Series 1988 B Bond being registered as to principal only) in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the One Valley Bank, National Association, as Registrar.

WITNESS my signature as of this 25th day of August, 1988.

ONE VALLEY BANK, NATIONAL ASSOCIATION

By Charlotte S. Morgan
Its Trust Administrative Officer

08/22/88
OHSB3-D

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 25th day of August, 1988, by and between the CITY OF OAK HILL, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $2,205,356 aggregate principal amount of Sewer Revenue Bonds, Series 1988 A and Series 1988 B, in fully registered form (collectively, the "Bonds"), pursuant to a Bond Ordinance enacted August 23, 1988, and a Supplemental Resolution adopted August 23, 1988 (collectively, the "Local Act");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Local Act, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Local Act provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Local Act and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Local Act and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Local Act, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or

by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Local Act with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Local Act, the terms of the Local Act shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Local Act will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: City of Oak Hill
P. O. Box 1245
Oak Hill, West Virginia 25901
Attention: Mayor

REGISTRAR: One Valley Bank, National Association
Post Office Box 1793
One Valley Square
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Local Act.

IN WITNESS WHEREOF, the CITY OF OAK HILL and ONE VALLEY BANK, NATIONAL ASSOCIATION have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF OAK HILL

By _____
Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

By _____
Its Corporate Trust Administrative Officer

08/22/88
OHSB3-E

EXHIBIT A

[Included in transcript as Document No. 1]

Invoice

ONE VALLEY BANK

City of Oak Hill

DATE August 25, 1988

UNITS	ITEM DESCRIPTION	TOTAL
	CITY OF OAK HILL SEWERAGE SYSTEM REVENUE BONDS, SERIES A - $1,764,285 & SERIES B - $441,071.	
	ONE TIME FEE FOR SERVICES AS REGISTRAR AND AUTHENICATING AGENT.....	$500.00

SEND REMITTANCE TO: One Valley Bank
One Financial Place - 6th Floor
One Valley Square
P.O. Box 1793
Charleston, WV 25326
ATT: 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 1988 A, of the City of Oak Hill in the principal amount of $1,764,285, numbered AR-1, standing in the name of West Virginia Water Development Authority on the books of said Issuer.

Dated: August 25, 1988.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

08/22/88
OHSB3-F

ARCH A. MOORE
Governor

VIRGINIA
IRAL RESOURCES
RESOURCES
Street
nia 25311

RONALD R. POTESTA
Director
ROBERT K. PARSONS
Deputy Director

9

City of
Post Offi
Oak Hill,

DES Water Pollution Control
ermit No. WV0020281
Letter of Addendum

Gentlemen:

This letter serves as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0020281, issued the 30th day of August 1985.

After review and consideration of the information submitted with Permit Modification Application No. WV0020281-A dated the 29th day of February 1988 and other pertinent information and Permit Modification Application No. WV0020281-B, dated the 25th day of January 1988, and the associated plans and specifications, the subject permit is hereby modified to include the following.

The operation and maintenance of three(3) extended aeration wastewater treatment plants and wastewater collection systems which are further described below.

Outlet No. 004 - A 16,000 GPD plant consisting of a 16,000 gallon aeration chamber, a 3,176 gallon clarifier, a 540 gallon chlorination chamber, a 2,063 gallon sludge holding tank, a 17 cubic feet pressure filter and all necessary appurtenances. The collection system consists of approximately 2,553 linear feet of eight(8) inch diameter gravity sewer line, 17 manholes and all necessary appurtenances.

Facilities are designed to serve 160 persons in the Fayette Plateau Industrial Park and discharge the treated wastewater to an unnamed tributary (approximately 0.2 miles from its mouth) of Wolf Creek of New River of Kanawha River. The location of the discharge point is latitude 38° 00' 15" North and longitude 81° 08' 45" West.

Outlet No. 005 - A 20,000 GPD plant consisting of a bar screen, a 20,000 gallon aeration chamber, a 3,744 gallon clarifier, a 2,083 gallon sludge holding tank, an 834 gallon chlorination chamber, a 2,782 gallon post aeration chamber, sand filters and all necessary appurtenances. The collection system consists of approximately 2,300 linear feet of eight(8) inch diameter gravity sewer pipe, eight(8) manholes and all necessary appurtenances.

Facilities are designed to serve 200 persons in the Collinwood Acres Subdivision and discharge the treated wastewater to Loop Creek (approximately 19.0 miles from its mouth) of Kanawha River. The location of the discharge point is latitude 37° 58' 47" North and longitude 81° 10' 21" West.

Facilities are owned by North Hills Group, Inc., Post Office Box 1250, Oak Hill, WV 25901.

Outlet No. 006 - A 20,000 GPD plant consisting of a bar screen, a 20,000 gallon aeration chamber, a 3,744 gallon clarifier, a 2,083 gallon sludge holding tank, an 834 gallon chlorination chamber, a 2,782 gallon post aeration chamber, sand filters and all necessary appurtenances. The collection system consists of approximately 1,205 linear feet of six(6) inch diameter gravity sewer line, approximately 5,195 linear feet of eight(8) inch diameter gravity sewer line, 21 manholes and all necessary appurtenances.

Facilities are designed to serve 200 persons in the South Hills Village Subdivision and discharge the treated wastewater to Loop Creek (approximately 18.8 miles from its mouth) of Kanawha River. The location of the discharge point is latitude 37° 59' 09" North and longitude 81° 10' 24" West.

Facilities are owned by North Hills Group, Inc., Post Office Box 1250, Oak Hill, WV 25901.

The above described wastewater treatment facilities shall connect to a municipal or public service district sewage collection system when one becomes available. The division shall be properly notified of the intended connection of these facilities for subsequent division action.

The operation of the above described wastewater treatment facilities shall be performed by an operator possessing at least a class 1-S Certificate for Wastewater Treatment Plant Operators, issued by the State of West Virginia.

A discharge monitoring report according to the attached format, shall be submitted to the division on a quarterly basis for each of the above facilities.

The construction, installation, operation and maintenance of Phase I improvements to the wastewater collection system and a 0.300 MGD sequential batch reactor wastewater treatment plant which are further described as follows.

The collection system improvements will consist of approximately 4,736 linear feet of eight(8) inch diameter gravity sewer lines, approximately 250 linear feet of 10 inch diameter gravity sewer lines, approximately 6,700 linear feet of 12 inch diameter gravity sewer lines, approximately 1,435 linear feet of 15 inch diameter gravity sewer lines, 53 manholes, approximately 2,015 linear feet of eight(8) inch diameter force main, one(1) lift station and all necessary appurtenances.

The wastewater treatment plant will consist of a bar screen, grit chamber, two(2) 179,500 gallon sequential batch reactor chambers with a 1,600 square feet clarifier and 1,000 gpm sludge decanter as an integral part of each chamber, two(2) 17,234 gallon chlorine contact chambers, dechlorination facilities, a 30 feet in length by six(6) feet in width at a 60 degree downgrade with baffles every two(2) feet post aeration unit, two(2) 162,170 gallon equalization basins, one(1) 89,760 gallon combination aerated sludge digestor - thickener and all necessary appurtenances.

Facilities are designed to serve approximately 2,756 persons in the City of Oak Hill and discharge the treated wastewater to Loop Creek (approximately 18.8 miles from its mouth) of Kanawha River. The location of the discharge point is latitude 37° 59' 16" North and longitude 81° 10' 45" West. The Outlet Number for this discharge shall be 003.

The wastewater treatment facilities are to be constructed in accordance with the plans, specifications and reports as approved on the 31st day of May 1988. A further description of these documents is presented as follows:

Plans, Specification and Reports:

Prepared By: Pentree, Incorporated, 1428 Main Street, P. O. Box 1309, Princeton, WV 24740-1309.

Title: Plans - Oak Hill Sanitary Board Sewage Collection and Treatment - Contract Nos. 1, 2, and 3
Specifications and Reports - Contract Docu-
Documents and Specifications for Oak Hill Sanitary Board Sewage Collection and Treatment - Contract Nos. 1, 2, and 3.

All other terms and conditions of the subject permit shall remain in effect and unchanged.

Sincerely,

Jerry L. Ray for D W Robinson

D. W. Robinson
Chief

DWR:JDM:mla

Attachments

Summer Conditions (May 1 through October 31)

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning start-up of new treatment facilities and lasting through midnight, August 29, 1990
the permittee is authorized to discharge from outlet number(s) 003 - Discharge from Route 61 sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow			0.300 MGD		Continuous	Measured
Biochemical Oxygen Demand (5-Day)	50.0	100.1	20.0 mg/l	40.0 mg/l	1/Month	8 hr. compc e
Total Suspended Solids	75.1	150.1	30.0 mg/l	60.0 mg/l	1/Month	8 hr. composite
Ammonia Nitrogen (NH_3-N)	16.1	32.2	6.45 mg/l	12.9 mg/l	1/Month	8 hr. composite
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	1/Month	Grab
Dissolved Oxygen			Not less than 6.0 mg/l at any given time		1/Month	Grab
Total Residual Chlorine			Not more than 10.0 ug/l at any given time		1/Month	Grab

The pH shall not be less than 6.0 standard units and not greater than 9.0 standards units and shall be monitored monthly by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series I, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

Winter Conditions (November 1 through April 30)

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning start-up of new treatment facilities and lasting through midnight, August 29, 1990
the permittee is authorized to discharge from outlet number(s) 003 - Discharge from Route 61 sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow			0.300 MGD		Continuous	Measured
Biochemical Oxygen Demand (5-Day)	75.1	150.1	30.0 mg/l	60.0 mg/l	1/Month	8 hr. composite
Total Suspended Solids	75.1	150.1	30.0 mg/l	60.0 mg/l	1/Month	8 hr. composite
Ammonia Nitrogen (NH_3-N)	37.5	75.1	15.0 mg/l	30.0 mg/l	1/Month	8 hr. composite
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	1/Month	Grab
Dissolved Oxygen			Not less than 6.0 mg/l at any given time		1/Month	Grab
Total Residual Chlorine			Not more than 10.0 ug/l at any given time		1/Month	Grab

The pH shall not be less than 6.0 standard units and not greater than 9.0 standards units and shall be monitored monthly by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series I, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning August 24, 1988 and lasting through midnight, August 29, 1990
the permittee is authorized to discharge from outlet number(s) 004 - Discharge from sewage treatment facilities serving Fayette Plateau Industrial Park

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow				0.016 MGD	1/Quarter	Measured
Biochemical Oxygen Demand (5-Day)	0.67	1.33	5.0 mg/l	10.0 mg/l	1/Quarter	8 hr. composite
Total Suspended Solids	4.00	8.00	30.0 mg/l	60.0 mg/l	1/Quarter	8 hr. composite
Total Kjeldahl Nitrogen (TKN)	2.40	4.80	18.0 mg/l	36.0 mg/l	1/Quarter	8 hr. composite
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	1/Quarter	Grab
Dissolved Oxygen			Not less than 6.0 mg/l at any given time		1/Quarter	Grab

The pH shall not be less than 6.0 standard units and not greater than 9.0 standards units and shall be monitored quarterly by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series I, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning August 24, 1988 and lasting through midnight, August 29, 1990
the permittee is authorized to discharge from outlet number(s) 004 - Discharge from sewage treatment facilities serving Fayette Plateau Industrial Park

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow				0.016 MGD	1/Quarter	Measured
Biochemical Oxygen Demand (5-Day)	0.67	1.33	5.0 mg/l	10.0 mg/l	1/Quarter	8 hr. composite
Total Suspended Solids	4.00	8.00	30.0 mg/l	60.0 mg/l	1/Quarter	8 hr. composite
Total Kjeldahl Nitrogen (TKN)	2.40	4.80	18.0 mg/l	36.0 mg/l	1/Quarter	8 hr. composite
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	1/Quarter	Grab
Dissolved Oxygen			Not less than 6.0 mg/l at any given time		1/Quarter	Grab

The pH shall not be less than 6.0 standard units and not greater than 9.0 standards units and shall be monitored quarterly by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series I, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning August 24, 1988 and lasting through midnight, August 29, 1990
the permittee is authorized to discharge from outlet number(s) 005 - Discharge from sewage treatment facilities serving Collinwood Acres Subdivision

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow				0.020 MGD	1/Quarter	Measured
Biochemical Oxygen Demand (5-Day)	0.83	1.67	5.0 mg/l	10.0 mg/l	1/Quarter	8 hr. composite
Total Suspended Solids	5.0	10.0	30.0 mg/l	60.0 mg/l	1/Quarter	8 hr. composite
Total Kjeldahl Nitrogen (TKN)	3.0	6.0	18.0 mg/l	36.0 mg/l	1/Quarter	8 hr. composite
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	1/Quarter	Grab
Dissolved Oxygen	Not less than 6.0 mg/l at any given time				1/Quarter	Grab

The pH shall not be less than 6.0 standard units and not greater than 9.0 standards units and shall be monitored quarterly by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series I, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning August 24, 1988 and lasting through midnight, August 29, 1990
the permittee is authorized to discharge from outlet number(s) 006 - Discharge from sewage treatment facilities serving South Hills Village Subdivision

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow				0.020 MGD	1/Quarter	Measured
Biochemical Oxygen Demand (5-Day)	1.67	3.34	10.0 mg/l	20.0 mg/l	1/Quarter	8 hr. composite
Total Suspended Solids	5.0	10.0	30.0 mg/l	60.0 mg/l	1/Quarter	8 hr. composite
Total Kjeldahl Nitrogen (TKN)	0.53	1.07	3.20 mg/l	6.40 mg/l	1/Quarter	8 hr. composite
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	1/Quarter	Grab
Dissolved Oxygen			Not less than 6.0 mg/l at any given time		1/Quarter	Grab

The pH shall not be less than 6.0 standard units and not greater than 9.0 standards units and shall be monitored quarterly by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series I, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

Revised I-86

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Summer Conditions
(May 1 through October 31)

FACILITY NAME Oak Hill, City of

LOCATION OF FACILITY Oak Hill, Fayette County

PERMIT NUMBER WV0020281

WASTELOAD FOR MONTH OF _____ 19 ____

OUTLET NUMBER 003 - Discharge from Route 61 sewage treatment facilities

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily	Units	N.E.		
Flow, in Conduit or thru trmt. plant 50050	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	****	*****		N/A	0.300	N/A	MGD		Continuous	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported												
	Permit Limitation	N/A	50.0	100.1	lbs/day		N/A	20.0	40.0	mg/l		1/Month	8 hour composite
Solids, Total Suspended 00530	Reported												
	Permit Limitation	N/A	75.1	150.1	lbs/day		N/A	30.0	60.0	mg/l		1/Month	8 hour composite
Nitrogen, Ammonia(NH_3-N) 00610	Reported												
	Permit Limitation	N/A	16.1	32.2	lbs/day		N/A	6.45	12.9	mg/l		1/Month	8 hour composite
pH 00400	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	*****	*****		6.0	N/A	9.0	Std. Units		1/Month	Grab
Coliform, Fecal General 74055	Reported	MF	- -	MPN									
	Permit Limitation	Circle	Method	Used			N/A	200	400	counts/100 ml		1/Month	Grab
Oxygen, Dissolved 00300	Reported	*****	*****	*****	****								
	Permit Limitation	*****	*****	*****	****		6.0	N/A	N/A	mg/l		1/Month	Grab

Name of Principal Exec. Officer

Title of Officer

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Date Completed

Signature of Principal Exec. Officer or Authorized Agent

WRD-2A-82
Revised 1-86
Winter Conditions
(November 1 through April 30)

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Oak Hill, City of

LOCATION OF FACILITY Oak Hill, Fayette County

PERMIT NUMBER WV0020281

WASTELOAD FOR MONTH OF _____ 19 ____

OUTLET NUMBER 003 - Discharge from Route 61 sewage treatment facilities

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily	Units	N.E.		
Flow, in Conduit or thru trmt. plant 50050	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	*****	*****		N/A	0.300	N/A	MGD		Continuous	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported												
	Permit Limitation	N/A	75.1	150.1	lbs/day		N/A	30.0	60.0	mg/l		1/Month	8 hour composite
Solids, Total Suspended 00530	Reported												
	Permit Limitation	N/A	75.1	150.1	lbs/day		N/A	30.0	60.0	mg/l		1/Month	8 hour composite
Ammonia Nitrogen (NH_3-N) 00610	Reported												
	Permit Limitation	N/A	37.5	75.1	lbs/day		N/A	15.0	30.0	mg/l		1/Month	8 hour composite
pH 00400	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	*****	*****		6.0	N/A	9.0	Std. Units		1/Month	Grab
Coliform, Fecal General 74055	Reported	MF	- -	MPN									
	Permit Limitation	Circle	Method	Used			N/A	200	400	counts/100 ml		1/Month	Grab
Oxygen, Dissolved 00300	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	*****	*****		6.0	N/A	N/A	mg/l		1/Month	Grab

Name of Principal Exec. Officer

Title of Officer

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Date Completed

Signature of Principal Exec. Officer or Authorized Agent

WRD-2A-82
Revised I-86
Summer and Winter Conditions

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Oak Hill, City of
LOCATION OF FACILITY Oak Hill, Fayette County
PERMIT NUMBER WV0020281

WASTELOAD FOR MONTH OF _____ 19 ____
OUTLET NUMBER 003 - Discharge from Route 61 sewage treatment facilities

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily	Units	N.E.		
Chlorine, Total Residual (TRC) 50060	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	*****	*****		N/A	N/A	10.0	ug/l		1/Month	Grab
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												

Name of Principal Exec. Officer

Title of Officer

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Date Completed

Signature of Principal Exec. Officer or Authorized Agent

Revised I-86

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Oak Hill, City of Fayette Plateau Industrial Park

LOCATION OF FACILITY Oak Hill, Fayette County

PERMIT NUMBER WV0020281

WASTELOAD FOR MONTH OF _____ 19__

OUTLET NUMBER 004 -Discharge from sewage treatment facilities serving Fayette Plateau Industrial Park

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily	Units	N.E.		
Flow, in Conduit or thru ment plant 50050	Reported	*****	*****	*****	****								
	Permit Limitation	*****	*****	*****	****		N/A	N/A	0.016	MGD		1/Quarter	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported												
	Permit Limitation	N/A	0.67	1.33	lbs/day		N/A	5.00	10.0	mg/l		1/Quarter	8 hour composite
Solids, Total Suspended 00530	Reported												
	Permit Limitation	N/A	4.0	8.0	lbs/day		N/A	30.0	60.0	mg/l		1/Quarter	8 hour composite
Nitrogen, Total Kjeldahl (as N) 00625	Reported												
	Permit Limitation	N/A	2.40	4.80	lbs/day		N/A	18.0	36.0	mg/l		1/Quarter	8 hour composite
pH 00400	Reported	*****	*****	*****	****								
	Permit Limitation	*****	*****	*****	****		6.0	N/A	9.0	Std. Units		1/Quarter	Grab
Coliform, Fecal General 74055	Reported	MF	- -	MPN									
	Permit Limitation	Circle	Method	Used			N/A	200	400	counts/100 ml		1/Quarter	Grab
Oxygen, Dissolved 00300	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	*****	*****		6.0	N/A	N/A	mg/l		1/Quarter	Grab

Name of Principal Exec. Officer

Title of Officer

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Date Completed

Signature of Principal Exec. Officer or Authorized Agent

WRD-2A-82
Revised 1-86

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Oak Hill, City of Collinwood Acres Subdivision

LOCATION OF FACILITY Oak Hill, Fayette County

PERMIT NUMBER WV0020281

WASTELOAD FOR MONTH OF _____ 19__

OUTLET NUMBER 005-Discharge from sewage treatment facilities serving Collinwood Acres

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily	Units	N.E.		
Flow, in Conduit or thru ment plant 50050	Reported	*****	*****	*****	****								
	Permit Limitation	*****	*****	*****	****		N/A	N/A	0.020	MGD		1/Quarter	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported												
	Permit Limitation	N/A	0.83	1.67	lbs/day		N/A	5.0	10.0	mg/l		1/Quarter	8 hour composite
Solids, Total Suspended 00530	Reported												
	Permit Limitation	N/A	5.0	10.0	lbs/day		N/A	30.0	60.0	mg/l		1/Quarter	8 hour composite
Nitrogen, Total Kjeldahl (as N) 00625	Reported												
	Permit Limitation	N/A	3.0	6.0	lbs/day		N/A	18.0	36.0	mg/l		1/Quarter	8 hour composite
pH 00400	Reported	*****	*****	*****	****								
	Permit Limitation	*****	*****	*****	****		6.0	N/A	9.0	Std. Units		1/Quarter	Grab
Coliform, Fecal General 74055	Reported	MF	- -	MPN									
	Permit Limitation	Circle	Method	Used			N/A	200	400	counts /100 ml		1/Quarter	Grab
Oxygen, Dissolved 00300	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	*****	*****		6.0	N/A	N/A	mg/l		1/Quarter	Grab

Name of Principal Exec. Officer

Title of Officer

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Date Completed

Signature of Principal Exec. Officer or Authorized Agent

Revised I-86

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME: Oak Hill, City of South Hills Village Subdivision

LOCATION OF FACILITY: Oak Hill, Fayette County

PERMIT NUMBER: WV0020281

WASTELOAD FOR MONTH OF _____ 19 ____

OUTLET NUMBER: 006-Discharge from sewage treatment facilities serving South Hills Village Subdivision

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg. Monthly	Max. Daily	Units	N.E.	Minimum	Avg. Monthly	Max. Daily	Units	N.E.		
Flow, in Conduit or thru ment plant 50050	Reported	*****	*****	*****	****								
	Permit Limitation	*****	*****	*****	****		N/A	N/A	0.020	MGD		1/Quarter	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported												
	Permit Limitation	N/A	1.67	3.34	lbs/day		N/A	10.0	20.0	mg/l		1/Quarter	8 hour composite
Solids, Total Suspended 00530	Reported												
	Permit Limitation	N/A	5.0	10.0	lbs/day		N/A	30.0	60.0	mg/l		1/Quarter	8 hour composite
Nitrogen, Total Kjeldahl (as N) 00625	Reported												
	Permit Limitation	N/A	0.53	1.07	lbs/day		N/A	3.20	6.40	mg/l		1/Quarter	8 hour composite
pH 00400	Reported	*****	*****	*****	****								
	Permit Limitation	*****	*****	*****	****		6.0	N/A	9.0	Std. Units		1/Quarter	Grab
Coliform, Fecal General 74055	Reported	MF	- -	MPN									
	Permit Limitation	Circle	Method	Used			N/A	200	400	counts 100 ml		1/Quarter	Grab
Oxygen, Dissolved 00300	Reported	*****	*****	*****	*****								
	Permit Limitation	*****	*****	*****	*****		6.0	N/A	N/A	mg/l		1/Quarter	Grab

Name of Principal Exec. Officer

Title of Officer

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Date Completed

Signature of Principal Exec. Officer or Authorized Agent

State of West Virginia
OFFICE OF ENVIRONMENTAL HEALTH SERVICES
1800 WASHINGTON STREET, EAST CHARLESTON, WEST VIRGINIA 25305 TELEPHONE (304) 348-2981

Permit To Construct

PROJECT: Water
Oak Hill Sanitary Board PERMIT NO.: 10,275

TOWN/PSD: Oak Hill COUNTY: Fayette DATE: 8-22-88

THIS IS TO CERTIFY that after reviewing plans, specifications and other essential information that

Oak Hill Sanitary Board
P.O. Box 1245
Oak Hill, West Virginia 25901

is hereby granted approval to: install approximately 65 LF of 2-inch and 3,000 LF of 6-inch water mains and all necessary valves and appurtenances with water to be supplied by the West Virginia Water Company.

Facilities are to serve the proposed Oak Hill Route 61 sewage treatment facilities.

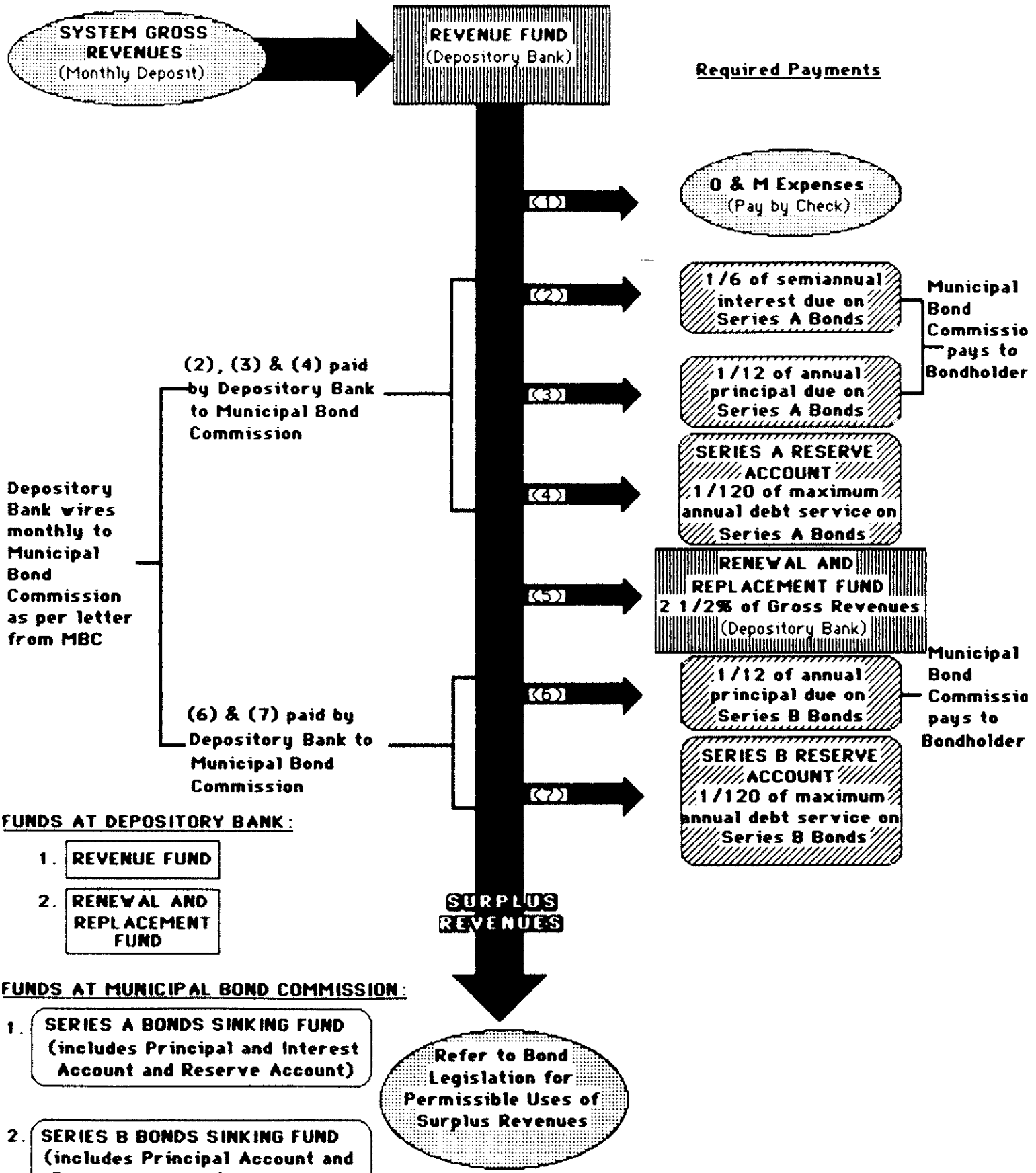
Validity of this permit is contingent upon conformity with plans, specifications and/or other information submitted to the West Virginia Department of Health. Permits to Construct are valid, upon issuance, for a one-year period for sewage projects and a two-year period for water projects.

FOR THE DIRECTOR

Donald A. Kuntz, P.E., Director
Environmental Engineering Division

DAK:WSH:nsf
cc: Fayette County Health Dept.
Pentree, Inc.
OEHS Beckley Dist. Ofc.

FLOW OF FUNDS SCHEMATIC DIAGRAM - SYSTEM REVENUES



FUNDS AT DEPOSITORY BANK:

1. REVENUE FUND
2. RENEWAL AND REPLACEMENT FUND

FUNDS AT MUNICIPAL BOND COMMISSION:

1. SERIES A BONDS SINKING FUND (includes Principal and Interest Account and Reserve Account)
2. SERIES B BONDS SINKING FUND (includes Principal Account and Reserve Account)